



Nashua Community Power
DRAFT Electric Aggregation Plan

As Approved by the Nashua Board of Aldermen

On

[TBD]

Table of Contents

INTRODUCTION	1
WHAT IS COMMUNITY POWER AGGREGATION?	1
WHY CONSIDER COMMUNITY POWER NOW?.....	2
PURPOSE AND STRUCTURE OF THIS ELECTRIC AGGREGATION PLAN	2
PROGRAM IMPLEMENTATION PROCESS.....	4
APPROVAL OF THIS PLAN BY THE ALDERMEN AND PUBLIC UTILITIES COMMISSION	4
OPTIONS TO IMPLEMENT NASHUA COMMUNITY POWER.....	4
<i>Electricity Broker / Consultant and Competitive Supplier Option.....</i>	<i>4</i>
<i>Community Power Coalition of New Hampshire Option.....</i>	<i>5</i>
PROGRAM GOALS, OBJECTIVES, AND NEAR-TERM REQUIREMENTS	7
POLICY GOALS FOR NASHUA COMMUNITY POWER.....	7
1. <i>Local Program and Customer Offers.....</i>	<i>8</i>
2. <i>Equity, Economic Retention & Development, and Workforce Development.....</i>	<i>9</i>
3. <i>Policy Intervention and Public Advocacy.....</i>	<i>9</i>
4. <i>Climate & Resiliency Planning, Transportation Electrification, Building Codes, Zoning & Land Use.....</i>	<i>9</i>
INTERMEDIATE OBJECTIVES FOR NASHUA COMMUNITY POWER	10
NEAR-TERM LAUNCH AND OPERATIONAL REQUIREMENTS FOR NASHUA COMMUNITY POWER.....	11
<i>Competitiveness with Utility Default Service & Net Energy Metering Generation Rates.....</i>	<i>11</i>
<i>Customer Rates and Products.....</i>	<i>12</i>
<i>Renewable Portfolio Standard Requirements.....</i>	<i>12</i>
<i>Compliance with Energy Portfolio Risk Management, Rates, and Financial Reserves Policies.....</i>	<i>13</i>
ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS	14
ORGANIZATIONAL STRUCTURE OF THE PROGRAM	14
METHODS OF ENTERING INTO AND TERMINATING AGREEMENTS	14
OPERATION AND FUNDING	14
RATE SETTING, COSTS, ENROLLMENT PROCESS, AND OPTIONS.....	16
<i>Rate Setting and Costs.....</i>	<i>16</i>
<i>Enrollment Process and Options.....</i>	<i>16</i>
RIGHTS AND RESPONSIBILITIES OF PROGRAM PARTICIPANTS	17
NET METERING AND GROUP NET METERING POLICIES.....	18
ENSURING DISCOUNTS FOR ELECTRIC ASSISTANCE PROGRAM PARTICIPANTS.....	19
TERMINATION OF THE PROGRAM	19
ATTACHMENT 1: LEGISLATIVE BACKGROUND AND LOCAL CONTROL AUTHORITIES	I
STATUS OF THE COMPETITIVE MARKET	II
THE COMMUNITY POWER ACT.....	III
ATTACHMENT 2: THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE.....	IV
GOVERNANCE STRUCTURE	IV
MEMBER SERVICE TERRITORY	VI
ORGANIZATIONAL CAPACITY.....	VII
STAFFING STRATEGY	VIII
REGULATORY AND LEGISLATIVE ENGAGEMENT	IX
PURPOSE, MISSION, VALUES & POWER ENTERPRISE OBJECTIVES	IX
<i>Purpose of CPCNH.....</i>	<i>IX</i>
<i>Mission and Values.....</i>	<i>X</i>
<i>Power Enterprise Objectives.....</i>	<i>X</i>
COALITION ENERGY PORTFOLIO RISK MANAGEMENT, RATES, AND RESERVES POLICIES	XI

MEMBER COST SHARING AGREEMENT	XI
ATTACHMENT 3: NEW HAMPSHIRE’S RENEWABLE PORTFOLIO STANDARD.....	XII
ATTACHMENT 4: UTILITY DEFAULT PROCUREMENT CYCLES AND RATE SETTING.....	XIV
ATTACHMENT 5: OVERVIEW OF UTILITY NET ENERGY METERING TARIFFS.....	XVI
DISCUSSION OF UTILITY NET METERING, GROUP NET METERING AND LOW-MODERATE INCOME SOLAR PROJECT TARIFFS.....	XVI
COMPARISON OF UTILITY “STANDARD” AND “ALTERNATIVE” NET ENERGY METERING TARIFFS.....	XVIII
NET ENERGY METERING SYSTEMS BY UTILITY TERRITORY	XIX
ATTACHMENT 6: NET METERING, GROUP NET METERING & LOW-MODERATE INCOME SOLAR PROJECT OPPORTUNITIES	XXII
ATTACHMENT 7: HOW LOAD SERVING ENTITY SERVICES WILL BE IMPLEMENTED	XXVI
RESPONSIBILITIES OF THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE (CPCNH)	XXVII
RESPONSIBILITIES OF THE CITY OF NASHUA	XXX
ATTACHMENT 8: CUSTOMER DATA PROTECTION PLAN.....	XXXII
RESPONSIBILITIES OF THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE (CPCNH)	XXXII
<i>CPCNH REQUIREMENTS TO ACCESS AND USE OF INDIVIDUAL CUSTOMER DATA.....</i>	<i>XXXV</i>
RESPONSIBILITIES OF THE CITY OF NASHUA	XXXVI
ADDITIONAL REFERENCES: STATUTORY AND REGULATORY REQUIREMENTS	XXXVII
<i>STATUTORY REQUIREMENTS FOR COMMUNITY POWER AGGREGATORS & SERVICE PROVIDERS.....</i>	<i>XXXVIII</i>
<i>ADDITIONAL REQUIREMENTS SPECIFIC TO BROKERS & COMPETITIVE SUPPLIERS</i>	<i>XXXIX</i>
<i>ADDITIONAL REQUIREMENTS FOR THE MULTI-USE ENERGY DATA PLATFORM</i>	<i>XL</i>

INTRODUCTION

As described in this Electric Aggregation Plan (“Plan”), the City of Nashua is developing a Community Power Aggregation program to provide expanded choice for electric power supply and services for customers within the City.

Pursuant to RSA 53-E:6, this Plan describes the purpose of the Nashua Community Power program, as well as how it will be organized, implemented, and operated. It is subject to approval by the Nashua Electric Aggregation Committee, adoption by the Board of Aldermen by a majority of those present and voting, and approval of the Public Utilities Commission for compliance with statutory and legislative requirements.

What is Community Power Aggregation?

Community Power Aggregation (CPA) refers to the grouping of retail electric customers within a municipality or group of municipalities to provide, broker or contract for electric power supply and related services for those customers. Communities typically implement CPA programs for the sake of cost savings, environmental sustainability, sourcing electricity from local energy sources or some combination of these. By law, programs must be self-funded through revenues generated by participating customers. The City may not use tax revenues to cover program costs, apart from incidental expenses associated with complying with enabling statutory requirements.

With aggregation, the City has the potential to offer a wider choice of energy supply options and more equitable access to innovative services for its residents and business, including choices that enhance energy affordability, support a larger proportion of community held renewables, and advance transportation and building electrification. Be self-funded through revenues generated by participating customers (the City will not use taxes to cover program expenses).

Community Power programs only change the sources of electricity for participating customers, and do not change how electricity is delivered over the transmission or distribution grid. Eversource would remain the utility that is responsible for maintaining the distribution grid and delivering electricity purchased by the program to participating customers.

Currently, customers in the City who have not chosen to contract with a Competitive Supplier are provided electricity supply under Eversource’s default service tariff. The utility issues solicitations for suppliers to provide electricity to these default service customers every six months, and both the timing of the solicitations and approval of the resulting supply rates are regulated by the Public Utilities Commission.

Community Power programs serve as an alternative default supplier of electricity. Customers would have the option to participate in Nashua Community Power or continue meeting their electricity needs either through Eversource’s default service or through a third-party competitive supplier:

- Based on the most recent available data, approximately 17% of Eversource’s residential customers and ~32% of commercial and industrial customers purchase their electricity from a competitive supplier. The launch of Nashua Community Power will have no effect on those customers, other than providing them with the option to request to “opt-in” to the program.
- Customers currently on Eversource’s default service would be mailed “opt-out” notices that provide them a choice of whether to participate. These customers would be enrolled upon program launch unless they have chosen to opt-out of the program. Thereafter, customers on

default service provided by Nashua Community Power would be allowed to switch back to Eversource's default service option or to a competitive supplier at no cost.

The tables below show the estimated total number and annual electricity usage of customers within Nashua's territory who would initially receive either "opt-out" or "opt-in" notifications:

	<u>Utility Default Supply Customers</u> (Eligible for Opt-Out Notifications & Automatic Program Enrollment)		<u>Competitive Supply Customers</u> (Eligible for Opt-In Notifications & Voluntary Program Enrollment)	
	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)
Residential	32,558	189,900	6,624	44,300
Commercial	4,856	66,800	2,008	96,600
Industrial	111	3,490	52	3,530
Total	37,525	260,190	8,684	144,430

Aggregated data shown was provided by Eversource in 2020. Note that Commercial includes street lighting.

Additional details about how customers would participate in Nashua Community Power are provided under section "Electric Aggregation Plan Statutory Requirements" herein.

Why Consider Community Power Now?

Community Power Aggregation is not new and was first enabled in 1996 when RSA 53-E and other statutes associated with electric utility restructuring were enacted. While allowed since then, the policy has not been implemented successfully in New Hampshire because of statutory impediments to program implementation. Those impediments made it difficult to reach the critical mass of customers necessary to support the cost-effective provision of competitive electric supply services. In 2019, SB 286 amended RSA 53-E to allow programs to be established under an "opt-out" customer enrollment framework, so that Community Power programs could serve as the default electricity supplier of choice for customers who are currently on utility default supply service.

Responding to this new opportunity, the Board of Aldermen (1) unanimously approved entering into a Joint Powers Agreement to incorporate a new nonprofit power agency in October 2021 (the Community Power Coalition of New Hampshire or the "Coalition"), (2) appointed a representative to serve on the Coalition's Board of Directors alongside other communities seeking to implement Community Power programs, and (3) established the Nashua Electric Aggregation Committee in October of 2021 to evaluate the advisability of, and prepare a plan for, implementing a Community Power program for the City.

Purpose and Structure of this Electric Aggregation Plan

This plan commits Nashua Community Power to comply with applicable statutes and regulations in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the

provision of service under Community Power.

Adoption of this plan does not otherwise commit the City to any defined course of action and does not impose any financial commitment on the City.

The remainder of the plan sets forth the City's policy goals and requirements for our program which are to:

- Summarizes program the approval process and options for implementation.
- Address each of the statutory requirements of an Electric Aggregation Plan pursuant to RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*).
- Provide a number of attachments with additional context regarding Community Power, the Community Power Coalition of New Hampshire, more technical aspects of the electricity industry, and the associated compliance requirements for Nashua Community Power.

PROGRAM IMPLEMENTATION PROCESS

The Electric Aggregation Committee has determined that this Plan satisfies applicable statutory requirements and is in the best, long-term interest of the City and its residents, businesses, and other electricity customers. It was developed with due input from the public, as required under RSA 53-E. Public hearings were held on [INSERT DATE] and [INSERT DATE], 2022.

Approval of this Plan by the Aldermen and Public Utilities Commission

Adoption of this Plan by the Board of Aldermen, which is subject to approval by a majority of those present and voting, will establish Nashua Community Power as an approved electric aggregation program with statutory authorities defined under RSA 53-E:3, to be exercised with due oversight and local governance, as described herein, and will authorize the Board of Aldermen to provide, broker or contract for the services necessary to launch and operate Nashua Community Power.

After adoption by the Board of Alderman, this plan will be submitted to the Public Utilities Commission for review in compliance with applicable statutory and rule requirements. Approval of the plan authorizes Nashua Community Power to commence the process of implementing electricity supply service, notifying customers, and launching the program pursuant to the Public Utilities Commission's rules (Chapter Puc 2200, titled *Municipal and County Aggregation Rules*).

Options to Implement Nashua Community Power

This plan provides the Board of Aldermen a choice of two different options for implementing the program. After consultation with the Mayor and the Electric Aggregation Committee, the Board of Aldermen may decide to either:

- Hire an electricity broker / consultant, and subsequently contract with a Competitive Electric Power Supplier (CEPS) to provide all the electricity and related services required to launch and operate Nashua Community Power; or
- Continue to participate fully in a Community Power Joint Powers Agency in New Hampshire and rely on the Joint Powers Agency to provide for all the electricity and related services required to launch and operate Nashua Community Power.

These two options have different implementation processes and organizational structures, as summarized below:

Electricity Broker / Consultant and Competitive Supplier Option

The Board of Aldermen may choose to implement the program relying solely on the City's own initiative and resources, as follows:

1. The City's Energy Manager (or alternatively herein, the Mayor's designee) would be responsible for carrying out a competitive solicitation process to hire an electricity broker / consultant. Thereafter, they would provide day to day management oversight of the program, including direct oversight of the contracts for power purchasing, customer services, utility relations, and fiscal management.
2. The electricity broker / consultant would manage certain program activities under the direction of the Energy Manager. Their responsibilities would include, among others, coordinating and interacting with Eversource, drafting Energy Risk Management, Rates, and Financial Reserves policies for the City's finalization and approval, developing and implementing customer

communication and education activities, providing periodic reports to the City, and negotiating an Electric Services Agreement (ESA) with a Competitive Electric Power Supplier (CEPS).

3. The Board of Aldermen would review and approve execution of the Electric Services Agreement, which would provide for a fixed rate that would be charged to customers for the term of the contract with the Competitive Supplier (typically one to three years in duration), and with the Energy Risk Management, Rates, and Financial Reserves policies for the program.
4. The Competitive Supplier would be relied upon to provide all-requirements electricity for the program, along with customer services (including utility data interchange, data management, customer billing, and call center services) and would fulfill other responsibilities as detailed in the Electric Services Agreement (ESA), under terms deemed reasonable and appropriate for the retail electric customers by the City's Energy Manager.

Community Power Coalition of New Hampshire Option

Alternatively, the Board of Alderman may choose to participate fully in the Community Power Coalition of New Hampshire, and rely on the Joint Powers Agency to implement the program, as follows:

1. Nashua's appointed CPCNH Member Representatives (currently, the City's Energy Manager and Sustainability Director would continue to serve on the Coalition's Board of Directors to help oversee the start-up and operation of the agency, provide feedback and direction to the Coalition's service providers preparing to launch the program, and report back regularly to provide status updates on any matter that warrants attention or requires action by the Board of Aldermen.

The Board of Aldermen could also elect to delegate certain additional decision-making authorities to Nashua's Member Representatives, as required to carry out their oversight responsibilities on behalf of the City, and/or to the Mayor to take action on the City's behalf from time-to-time.
2. The Board of Aldermen would review and approve execution of the Coalition's Cost Sharing Agreement for Members, along with the Energy Portfolio Risk Management, Rates, and Financial Reserves policies approved by the Coalition's Board of Directors.
3. The Coalition would provide the services and credit support necessary to launch and operate Nashua Community Power (along with the programs of other municipalities across the state) and would provide all-requirements electricity to customers participating in the programs. Power procurement and energy portfolio risk management, ratesetting, and the accrual of financial reserves for the program would be carried out in accordance with the Coalition's Energy Portfolio Risk Management, Rates, and Financial Reserves policies. The Coalition would collect revenues from program customers on the City's behalf and would recover expenses incurred on behalf of Nashua Community Power in accordance with the City's Cost Sharing Agreement.
4. Governance of the power agency would be carried out pursuant to the Coalition's Joint Powers Agreement. The Board of Directors and committees of Member Representatives — the Executive Committee, Finance Committee, Risk Management Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, etc. — would continue to meet regularly and carry out their responsibilities to provide oversight and direction, supported by a qualified CEO and staff experts hired to provide day-to-day oversight and management the agency's service providers, operations, planning, and program

development activities.

Regardless of which option the Board of Aldermen chooses to implement Nashua Community Power, four things will remain constant:

1. If it is determined before the program is launched that Nashua Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy service charge rates offered by Eversource for residential customers (on rate schedule R), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.
2. Customer participation in Nashua Community Power will be completely voluntary. After the electricity rates to be offered under the program are established, customers will be notified and may choose to opt-out of the program. After program launch, customers on default service provided by the program may choose to opt-out without penalty.
3. Eversource will continue to deliver electricity to customers, own and operate the distribution system (poles, wires, transformers, substations, etc.) and in most cases, provide account and billing services to customers participating in the program.
4. All costs associated with operating the program will be incorporated into rates paid by Nashua Community Power customers and will not be passed on to customers who chose to opt-out of participating in the program.

PROGRAM GOALS, OBJECTIVES, AND NEAR-TERM REQUIREMENTS

The City of Nashua has already set several larger resilience and sustainability goals and has undertaken many actions and initiatives to advance these goals. In 2017, Nashua's Environment and Energy Committee, EEC, was formed after Mayor Jim Donchess pledged allegiance to the Mayor National Climate Action Agenda, in which he and 273 other mayors across the country agreed to uphold the values and goals of the Paris Climate Agreement.

The EEC set sustainability-focused recommendations, including goals to cut municipal greenhouse gas emissions by 25 percent by 2025 and to power municipal buildings with 100 percent clean energy sources by 2025. Since then, the City has invested in solar panels on its fire and transit facilities totaling 230 kW of solar generation capacity, and the City's two hydroelectric facilities produced 20,297 MWh of power in 2019. The city used 260,000 kWh of electricity in 2020 that was generated from solar power.

In 2021, the City's Imagine Nashua Master Plan was developed over a nine-month extensive engagement process, under which 538 ideas were shared through an interactive project website and refined over the course of over forty focus group meetings and more than a dozen official public meetings. The resulting framework presented pathways for the City in terms of draft goals, actions, and recommendations, and was put forward to guide citywide policies and initiatives:

- **Goals** are the high-level outcomes the City hopes to achieve in the coming decades.
- **Actions** are the major steps that the master plan suggests taking to realize goals.
- **Recommendations** are smaller and more concrete steps that can help achieve an action, distinguishing between those that are actionable in the near- or medium-term.

Policy Goals for Nashua Community Power

The Imagine Nashua Master Plan recommends implementing a Community Power program for the purposes of supporting community held renewables and decarbonizing the electricity portfolio, under the following framework:

- **Goal:** advance carbon-free transportation and building design to reduce greenhouse gas emissions.
- **Action:** achieve citywide carbon neutral electricity by 2050.
- **Recommendation (near-term):** implement a community power program with the goal of investing in community held renewables and bring the entire city electric portfolio to 100% renewable by 2050.

Depending on how Nashua Community Power is implemented, and how it evolves over time, the program could also help advance a variety of additional recommendations under the Master Plan, all of which are related to achieving citywide carbon neutral electricity by 2050.

The achievements of the industry are promising in this regard, particularly municipalities in California, where sixteen Joint Powers Agencies have been created by over 200 city and county governments for the purpose of operating Community Power programs. Crucially, many of them operate under similar goals as set for Nashua Community Power, focusing on advancing local renewables and decarbonization of the community in addition to the wholesale energy supply. These new community power agencies have almost all been able to maintain competitive rates,

while offering lower carbon supply options to customers, accruing financial reserves sufficient to ensure their long-term financial stability, and working continuously on a variety of local policy goals. Guided by the policy goals of the local governments involved, the agencies have accomplished a wide range of initiatives at the local, regional, and statewide levels including:

- Encompassing policy reforms
- Decarbonization plans/climate disaster preparedness and response programs.
- Changes to zoning/land use/building codes to support decarbonization.
- Transportation electrification/local renewable project opportunities.
- Workforce and Economic development programs.

New rates and product options for customers including:

- Support low-to-moderate income residents.
- Attracting and retaining businesses through more affordable and carbon free power options.
- Electric vehicle charging corridors and all-electric bus fleets (and a new local factory built to produce the buses).
- Renewable microgrids on critical community facilities.
- Home and business battery storage systems for energy resilience.
- Funding for energy related initiatives proposed by local nonprofits, schools, and innovative startups (usually through periodic solicitations, or competitions such as “hackathons”) — and other programmatic innovations.

In addition to the wide range of local programs, customer options, economic stimuli, and regional initiatives, the agencies in California have also collectively contracted for the construction of nearly 10,000 megawatts of new solar, wind, geothermal, battery storage, and biogas projects under long-term power purchase agreements — including, in one example, by working with their utility to encourage battery storage facilities (which dramatically lowered pollution in a nearby low-to-moderate-income neighborhood, and cost-effectively avoided the need to upgrade a local transmission line).

The Imagine Nashua Master Plan calls for a similar range of initiatives to be advanced through City policy over the near- to medium-term. Listed below are the Master Plan actions and recommendations that Nashua Community Power could additionally support achieving over time, organized into four broad categories:

1. Local Program and Customer Offers

Nashua Community Power could enable the Master Plan actions and recommendations below by creating new customer rates, product options, and program offerings designed in collaboration with the relevant City departments, customer groups, and community stakeholders involved:

- Add solar or buy green energy for every city owned structure with charging stations.
- Assess the feasibility of electrifying the school bus fleet.
- Increase number of City-owned electric vehicles.
- Phase out primary fossil fuel systems for heating and appliances and encourage the retrofit of full electrification of primary sources for existing buildings.

- Encourage all buildings to adopt energy efficiency upgrades compatible with historic fabric.
- Continue to support expansion and retention of employers in emerging 21st century industries including research and development-based employers, life sciences, advanced manufacturing, and other similar technology sectors.
- Encourage growth in emerging innovation based economic sectors centered around medical devices, robotics, biosciences, and similar industry sectors.
- Use City policy to promote businesses that adopt sustainable practices.
- *Have 25% of buildings in Nashua be solar-powered by 2050.*

2. Equity, Economic Retention & Development, and Workforce Development

Nashua Community Power could enable the Master Plan actions and recommendations below by structuring, and potentially funding, workforce development needs associated with cost-effective local programs, by providing for competitive solicitations and grants for energy initiatives proposed by local startups and nonprofits, and — through a variety of programmatic activities and policy interventions — by broadly supporting the development of the local marketplace for energy efficiency, demand response, battery storage, distributed energy, and electric vehicles in the City:

- *Encourage and facilitate the assessment of training needs of local workforce especially low- and moderate-income residents to access jobs in emerging target industries and use needs assessment to inform creation of new and specialized training programs.*
- *Encourage and facilitate partnership with local and regional institutions, non-profits, and employers, to foster innovation industry development, and a workforce pipeline accessible to all Nashua residents.*
- *Encourage and facilitate partnerships with public and private sector to provide mentorship to upcoming and underrepresented entrepreneurs in the city and help them with access to city resources.*
- *Encourage and facilitate youth line of sight into job options through information campaigns, exposure events, and internship opportunities when appropriate.*

3. Policy Intervention and Public Advocacy

Nashua Community Power could enable the Master Plan actions and recommendations below by supporting policy engagement at the state level, working in collaboration with other Community Power programs and municipalities that share and would advocate for the City's objectives:

- *Advocate for state policy change to allow the City to reduce or eliminate taxes on electric vehicle infrastructure on residential properties.*
- *Advocate to transition for the electrification of regional rail.*
- *Support any future federal or state carbon tax or cap and trade programs that are implemented, at the level of the Mayor or Board of Aldermen.*

4. Climate & Resiliency Planning, Transportation Electrification, Building Codes, Zoning & Land Use

Nashua Community Power could enable the Master Plan actions and recommendations below by providing technical advice, access to energy data, and analytical design support — including by forecasting the future energy usage impacts of these initiatives for incorporation into long-term planning to maximize value during the design process (and subsequently minimize energy procurement costs):

- *Refine and Implement a robust climate action and resilience plan for Nashua.*
- *Adapt City infrastructure to prepare for climate change*
- *Support future development in priority development areas identified in the Master Plan Process by ensuring reliability and capacity in key physical/social infrastructure such as workforce training, water, sewer, electrical, and broadband.*
- *Ensure that transportation policy decisions, strategies, and investments are coordinated with land use goals and support the desired urban environment.*
- *Develop metrics/guidelines that can be used to assess the resilience of existing transportation infrastructure and inform the planning of investments in transportation infrastructure.*
- *Ensure that new development is EV-ready and consider right-to-charge ordinance for multifamily housing (and private ownership communities).*
- *Leverage land use regulations and zoning policy to reduce the climate impact of new development: create design- and performance-based guidelines to address environmental impacts of new development following green building standards.*
- *Revise land use code to explore requiring renewable energy facilities such as solar installations and energy storage for new multifamily residential construction.*
- *Explore requiring eco-roofs for all new development. Solar, solar thermal, green roofs, white/cool roofs, and blue roofs all qualify.*
- *Adopt incentives to encourage LEED and green building standards as part of land use code.*
- *Push existing zoning that encourages the use of solar, wind, and renewable energy systems to incentivize all new construction to require renewables.*
- *Adopt zoning to incentivize preservation and adaptive reuse to reduce greenhouse gas emissions from new building materials.*
- *Create a passive house standard for the City: Passive house minimizes heating and cooling loads through high levels of insulation, high-performance windows, minimized thermal bridging, and right-sized HVAC systems.*
- *Establish requirements for new multi-family construction to include electric vehicle charging infrastructure, eco-roofs, and bike-ped amenities.*

Intermediate Objectives for Nashua Community Power

To achieve the City's policy goals, which are subject to definition and modification by the Board of Aldermen over time, Nashua Community Power will be guided by the following broad objectives:

- **Competitive Rates & Expanded Choices:** Nashua Community Power will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Eversource, and will additionally offer optional products, such as supply options with higher and lower levels of renewable energy and time-varying rates that enable the intelligent use of customer energy technologies;
- **Fiscal Stability & Financial Reserves:** procurement and ratesetting for Nashua Community Power will be carried out in accordance with Energy Portfolio Risk Management, Rates, and Financial Reserves policies and a portion of revenues will be deposited into a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over

time — and is therefore able to achieve Nashua’s longer-term policy goals (such as the development of local energy resources and programs);

- **Consumer Protections & Public Advocacy:** Nashua Community Power will ensure that the contracts entered into on behalf of customers are fair, and represent the interests of Nashua and the program’s customers at the Legislature and utility regulatory commission on matters pertaining to Community Power, ratepayer protection and the creation of a more competitive, efficient and clean energy market for New Hampshire;
- **Enhanced Customer Focus:** Nashua Community Power will enable customers to adopt new clean energy technologies that reduce energy expenditures and carbon emissions from the customer’s “full bill” perspective, by reducing household and business fuel expenses through electrification of heating appliances and vehicles, offering time varying rate structures that incentivize self-generating, dispatching onsite storage or shifting power consumption during when electricity market prices are high, lowering customers’ utility transmission and distribution charges by reducing onsite demand in peak hours, and other strategies;
- **Cleaner, Local Power:** Nashua Community Power will prioritize the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of local and in-state renewable energy and battery storage projects;
- **Community Resilience:** Nashua Community Power will support local contractor training and education programs to lower barriers to the installation of new clean energy technologies, and support projects such as back-up power supplies, electric vehicle charging networks and community microgrids on critical facilities;
- **Regional Collaborations:** Nashua Community Power will collaborate with municipalities, other Community Power programs and government agencies to jointly develop cost-effective local renewable generation and storage projects, electric vehicle transit fleets and charging corridors, and other clean energy infrastructure developments;
- **Grid Modernization:** Nashua Community Power will join with other Community Power programs to advocate for policies, regulations, and infrastructure investments — such as the widespread deployment of interval meters and other Smart Grid infrastructure technologies — necessary to enable innovative customer services and the intelligent use of new clean technologies, cost-effective integration of local and regional renewable generation and the reliable operation of customer and community owned microgrids and utility’s distribution grid.

Near-Term Launch and Operational Requirements for Nashua Community Power

While many of the broader benefits Nashua Community Power intends to create for customers and the City will be developed over time, the program’s immediate objective is to offer competitive default supply rates compared to Eversource while accruing a reserve fund sufficient to ensure long-term financial stability, and additionally offering voluntary products that retail customers may opt-up to receive as well as Net Energy Metering supply rates that allow customer generators to participate in the program.

Nashua Community Power will need to balance customer rate levels, renewable power content and the accrual of program reserves to meet these objectives.

Competitiveness with Utility Default Service & Net Energy Metering Generation Rates

If it is determined before the program is launched that Nashua Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy service

charge rates offered by Eversource for residential customers (on rate schedule R), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.

Compensation to customer generators under Net Energy Metering generation rates, the timing of the program's rate setting decisions, and, to a certain degree, the procurement of electricity will need to take into account Eversource' tariffs, processes and timing in regard to these activities.

Refer to [Attachment 3](#), [Attachment 4](#), [Attachment 5](#) and the section "[Net Metering and Group Net Metering Policies](#)" for additional documentation and discussion of these factors.

Customer Rates and Products

The table below provides an illustrative example of a default service product and optional rates that could be offered to customers:

	DEFAULT SERVICE (automatic enrollment)	OPTIONAL PRODUCTS		
		Basic Service	Green Start	Prime
Attributes	5-10% above Renewable Portfolio Standard (RPS)	Meets RPS	~50% Renewable	100% Renewable
Price	Meet or beat default utility rate at launch	Below default utility rates	Higher or competitive w/ default utility rate	Exceeds default utility rate

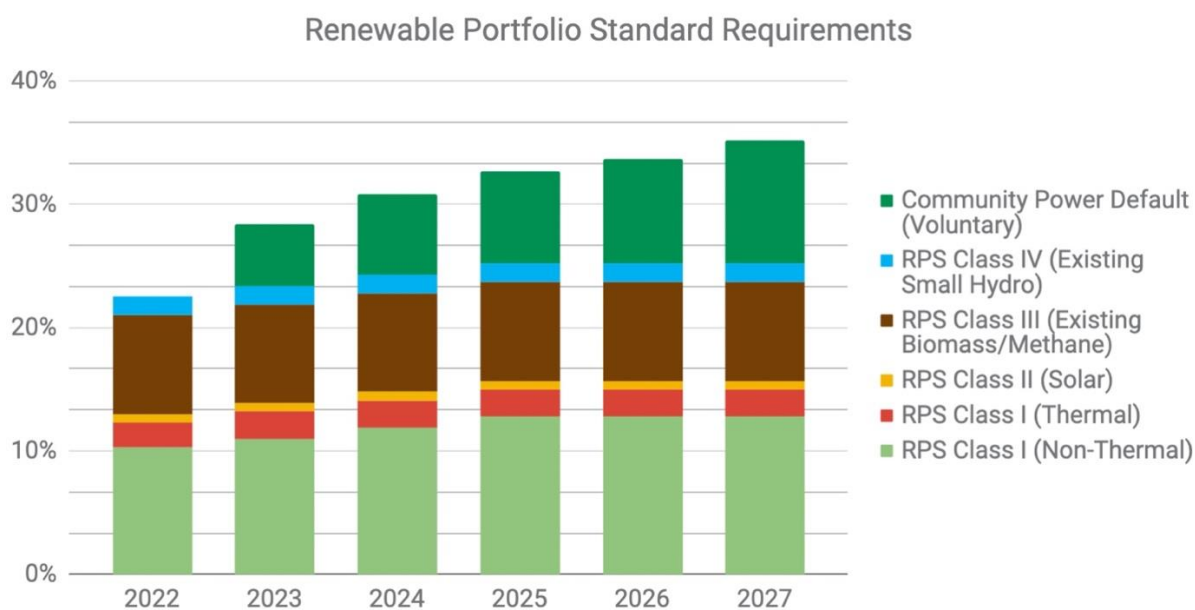
The products that Nashua Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

Renewable Portfolio Standard Requirements

New Hampshire's Renewable Portfolio Standard (RPS) requires all electricity suppliers to obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2022, Eversource and other electricity suppliers are required to include 22.5% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS.

Nashua Community Power may seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources (as defined in [Attachment 3](#)). Additionally, the program may prioritize including renewable energy sourced from generating resources located in New Hampshire and New England. The chart below shows the different classes and quantities of renewable power required under the RPS between 2022 and 2027, along with Nashua Community Power's potential voluntary purchases (assuming that the default product from the table in the proceeding section, which exceeds RPS requirements each year by 5% to 10%):



Compliance with Energy Portfolio Risk Management, Rates, and Financial Reserves Policies

Nashua Community Power's ability to maintain competitive rates, as market prices and Eversource default rates change over time, is a primary goal for the program. Competitive rates will significantly reduce the risk that customers opt-out of Nashua Community Power and allow the program to achieve our medium-to long-term goals.

Nashua Community Power's power procurement, budgeting and rate-setting will be carried out in accordance with the Energy Portfolio Risk Management, Rates, and Financial Reserves policies that will be approved by the Board of Aldermen. This decision-making framework is intended to guide the program to allocate revenues in a manner that appropriately balances our competing priorities, thereby ensuring that Nashua Community Power will remain operationally stable, and able to work towards achieving all of the City's policy goals over time.

ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS

The following requirements for this Electric Aggregation Plan, in compliance with RSA 53-E:6, are addressed below:

- A. Organizational structure of the program.
- B. Methods of entering into and terminating agreements.
- C. Operation and funding.
- D. Rate setting, costs, and customer enrollment process.
- E. Rights and responsibilities of program participants.
- F. Net metering and group net metering policies.
- G. Ensuring discounts for Electric Assistance Program participants.
- H. Termination of program.

Organizational Structure of the Program

Upon approval of this plan, Nashua Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the City.

The Board of Aldermen will oversee the program and has overall governance authority. Decisions regarding Nashua Community Power, such as updating program goals, and approval of Energy Portfolio Risk Management, Rates, and Financial Reserves policies, will be made at duly noticed public meetings and with advisory support from the Electric Aggregation Committee.

Nashua may participate fully in the Coalition, and thereby contract for operational services and electricity supply jointly with other participating Community Power programs, or alternatively may independently contract for the services and electricity required to implement and operate Nashua Community Power. These two options present different organizational structures for the program, as provided for in section “Implementation Pathways for Nashua Community Power” above.

The Board of Aldermen may also direct the Electric Aggregation Committee to continue to hold meetings, and/or provide alternative means of providing for community input and advisory support regarding the program.

Methods of Entering into and Terminating Agreements

This Electric Aggregation Plan authorizes the Board of Aldermen to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Nashua Community Power.

Operation and Funding

Nashua Community Power will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate the program.

Nashua may participate fully in the Coalition, and thereby contract for operational services and electricity supply jointly with other participating Community Power programs, or alternatively may independently contract for the services and electricity required to implement and operate Nashua Community Power.

In either case, third-party contractors will be expected to fund the upfront cost of implementing the program, the expense of which will be amortized in service fees and recovered in the program's rates and charges to participating customers. The program may also seek opportunities to apply for grant funding, either independently or through the Coalition.

Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services. Additional information on how Nashua Community Power will implement Load Serving Entity (LSE) services is found in [Attachment 7](#), *How Load Serving Entity Services will be Implemented*.

Additional support services such as management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers) will be addressed through a combination of staff support and third-party services.

Nashua Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (to the extent not provided through Eversource), transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard. (Refer to [Attachment 3](#) for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

If a single supplier is relied upon to provide all-requirements electricity on behalf of Nashua Community Power, then (1) the supply contract will be executed or guaranteed by entities that possess at least a BBB- or equivalent investment-grade rating issued by a nationally recognized statistical rating organization (NRSRO), and (2) the supplier will be required to use proper standards of management and operations, maintain sufficient insurance, and meet appropriate performance requirements for the duration of the supply contract. Alternatively, if a portfolio of contracts with multiple entities is structured to diversify counterparty credit risk exposure, and actively managed to provide for all-requirements electricity on behalf of Nashua Community Power, then counterparty credit requirements and monitoring, hedging transaction authorities, residual ISO-NE market exposure limits, and reporting requirements will be carried out in accordance with Energy Portfolio Risk Management, Rates, and Financial Reserves policies that would be established prior to commencing procurement and implementing the program.

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Nashua Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building management systems, smart thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency, and decarbonize our power supply.

However, the implementation of these authorities is expected to take some time, as it requires action by the Public Utilities Commission to adopt enabling rules and coordination with Eversource to adapt existing meter and billing system processes.

Rate Setting, Costs, Enrollment Process, and Options

Customers who choose not to participate in Nashua Community Power shall not be responsible for any costs associated with the program, apart from incidental costs incurred by the City prior to the point at which the program starts producing revenue from participating customers (for example, contract review by legal counsel, but not any operational or capitalized costs of the program).

Rate Setting and Costs

If it is determined before the program is launched that Nashua Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy service charge rates offered by Eversource for residential customers (on rate schedule R), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.

Thereafter, the program will strive to maintain competitive rates for all default service customers on an overall annual basis, as well as customers who opt-in or opt-up to receive optional retail products, while working to achieve the program's goals (as set forth in this Electric Aggregation Plan and modified from time to time at the direction of the Board of Aldermen).

Rates will be set at a level such that revenues from participating customers are projected to meet or exceed the ongoing operating and capital costs of the program, in accordance with the Energy Portfolio Risk Management, Rates, and Financial Reserves policies that will govern the program's power procurement and rate-setting decisions.

To ensure the financial stability of Nashua Community Power, a portion of revenues will be deposited in a financial reserve account. In general, the fund will be restricted for uses such as:

- **In the near-term**, maintain competitive customer rates in the context of price fluctuations in the electricity market and other factors;
- **In the medium term**, as collateral for power purchase agreements (including for the development of new renewable and battery storage projects), and for additional credit enhancements and purposes that lower the program's cost of service; and
- **Over the long term**, may also be used to directly fund other program financial requirements, or to augment the financing for development of new projects and programs in the later years of the program, subject to the Board of Aldermen's approval.

As required by law, the program will ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories.

In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Enrollment Process and Options

Nashua Community Power intends to launch on an opt-out basis, providing an alternative default service to the utility provided default service rate. After approval of this Electric Aggregation Plan

and before the launch of Nashua Community Power, all customers in the City will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on default service provided by Eversource** will be sent “opt-out” notifications — describing the program, its implications for the City, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter be transferred to Nashua Community Power if they do not opt-out of the program prior to launch.
- **Customers already served by Competitive Electric Power Suppliers** will receive “opt-in” notifications describing the program and may request to opt-in to the program.

Customers will be notified through a mailing, which will be posted not less than 30 days prior to the enrollment of any customers. All information will be repeated and posted at the City’s Community Power website. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

Optional products, such as increased renewable power content in excess of the Renewable Portfolio Standard (RPS) requirements and other energy services, including time varying rates, may be offered on an opt-in basis.

After launch and in accordance with any applicable rules and procedures established by the Public Utilities Commission, new customers will be provided with the default service rates of Eversource and Nashua Community Power and will be transferred onto Nashua Community Power’s default service unless they choose to be served by Eversource or a Competitive Electric Power Supplier.

Customers that request to opt-in to the program may do so at the discretion and subject to the terms of Nashua Community Power.

Residents, businesses, and other electricity customers may opt-out of participating in Nashua Community Power default service at any time, by submitting adequate notice in advance of the next regular meter reading by Eversource (in the same manner as if they were on utility provided default service or as approved by the Public Utilities Commission).

Customers that have opted-in to an optional product offered by Nashua Community Power may switch back to the Eversource or to take service from a Competitive Electric Power Supplier subject to any terms and conditions of the optional product.

Rights and Responsibilities of Program Participants

All participants will have available to them the customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices.

Customers will be able to ask questions of and register complaints with the City and/or its designated service provider(s), Eversource, and the Public Utilities Commission.

Nashua Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under [RSA 363:38](#) (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and Public Utilities Commission rules. Individual customer data includes information that singly or in combination can identify that specific customer including the individual customers’ name, service address, billing address, telephone number, account number, payment information, and electricity consumption data. Such individual customer data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors

for Nashua Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b). [Attachment 8, Customer Data Protection Plan](#), details the reasonable security procedures and practices that the City and Nashua Community Power will employ to protect individual customer data from unauthorized access, use, destruction, modification, or disclosure.

Aggregate or anonymized data that does not compromise confidentiality of individual customers may be released at the discretion of Nashua Community Power and as required by law or regulation.

Participants will continue to be responsible for paying their bills. Failure to do so may result in a customer being transferred from Nashua Community Power back to Eversource (the regulated distribution utility and provider of last resort) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

Net Metering and Group Net Metering Policies

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage. Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by Eversource and receive credits for electricity they export to the grid based on Eversource's Net Energy Metering (NEM) tariffs. Nashua Community Power intends to provide new rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation. Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from Eversource, as specified under the terms of their applicable net energy metering tariff.

For group net metering where the host customer-generator is on default service, to the extent Nashua Community Power supply rates are lower than Eversource default service or if the host is located outside of Nashua, it may be most advantageous for the host to remain a Eversource default service customer, while the other group members are free to switch to Nashua Community Power for their supply and continue to receive on-bill credits for their participation in the group.

Nashua Community Power's exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the City will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the program's enrollment notification process and thereafter.

Certain aspects of administering net energy metering require coordination between Eversource and Nashua Community Power. The enabling services and strategies that Nashua Community Power may pursue, to benefit and encourage customers to adopt distributed generation, include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and alternative credit mechanisms to compensate customers for surplus generation;

- Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;
- Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

For additional details regarding these enabling services and strategies, refer to:

- [Attachment 5](#) provides an overview of Eversource's net energy metering tariffs in use today, including the "standard" and "alternative" tariffs for individual customer-generators as well as Group Net Metering and Low-Moderate Income Solar Project options, and tables showing the number of customer-generators on net metered service in each utility territory;
- [Attachment 6](#) provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Nashua Community Power.

Ensuring Discounts for Electric Assistance Program Participants

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Nashua Community Power will support income eligible customers who enroll in the Electric Assistance Program to receive their discount. Electric Assistance Program discounts are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the distribution utilities.

At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility. Nashua Community Power consequently plans to rely on Eversource to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program. This arrangement may be revisited if, at some point in future, the Public Utilities Commission enables Community Power programs to provide Electric Assistance Program customers with their discount directly.

Termination of the Program

There is no planned termination date for Nashua Community Power.

Nashua Community Power may be terminated by majority approval of the Board of Aldermen. If so terminated, Nashua Community Power would cease operations after satisfying any obligations contractually entered into prior to termination, and after meeting any advance notification period or other applicable requirements in statute or regulation, at which point participating customers would either be transferred to default service provided by Eversource or to a Competitive Electric Power Supplier of their choosing.

Nashua Community Power will provide as much advance notice as possible regarding the potential or planned termination of the program to participating customers, the Coalition, the Public Utilities Commission and Eversource.

Upon termination, the balance of any funds accrued in the program's financial reserve fund and other accounts, if any, would be available for distribution or application as directed by the Board of Aldermen and in accordance with any applicable law and regulation.



Electric Aggregation Plan Attachments

Attachment 1: Legislative Background and Local Control Authorities

In 1996, New Hampshire led the nation in being the first state to pass an Electric Utility Restructuring Act ([RSA 374-F](#)), the purpose of which is excerpted in full below:

- I. The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets. The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment. Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.*
- II. A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: “Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it.” Competitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry.*
- III. The following interdependent policy principles are intended to guide the New Hampshire public utilities commission in implementing a statewide electric utility industry restructuring plan, in establishing interim stranded cost recovery charges, in approving each utility’s compliance filing, in streamlining administrative processes to make regulation more efficient, and in regulating a restructured electric utility industry. In addition, these interdependent principles are intended to guide the New Hampshire general court and the department of environmental services and other state agencies in promoting and regulating a restructured electric utility industry.*

Prior to this point, state regulators set retail customer rates to allow electric utilities to recover a return on their investments (profits) and prudently incurred costs for “vertically integrated” monopoly service — spanning wholesale electricity generation, transmission, local distribution and retail customer services (metering, billing, collections, call center operations and so on).

Restructuring sought to increase competition and technological innovation in the markets for electricity supply and retail customer services, by requiring electric utilities to divest of their generation portfolios, creating a Federally regulated regional electricity market or “Independent System Operator” (ISO New England is the market operator for New England), and allowing Competitive Electric Power Suppliers (CEPs) to offer electricity supply rates and other services to retail customers.

Customers that did not choose a competitive supplier were left on “default service” provided by the electric utilities — afterwards referred to as “electric distribution companies” — which continue to be regulated by the Public Utilities Commission. The distribution utilities periodically

hold auctions for competitive suppliers to bid against one another for the right to supply electricity to default service customers in large groups to competitive suppliers. (Refer to [Attachment 4](#) for additional details on this process.)

Status of the Competitive Market

Nearly a quarter century has passed, and New Hampshire's competitive market has seen little growth since 2013. Four out of five customers remain on default service provided by the distribution utilities, and the customers that are on competitive supply only account for about half of total electricity usage.

Regulated distribution utilities continue to provide services that are not natural monopolies, and could therefore be available by competitive means, such as: default electricity supply, metering, meter data management, billing, and other retail customer services (such as demand response and energy storage for smaller customers).

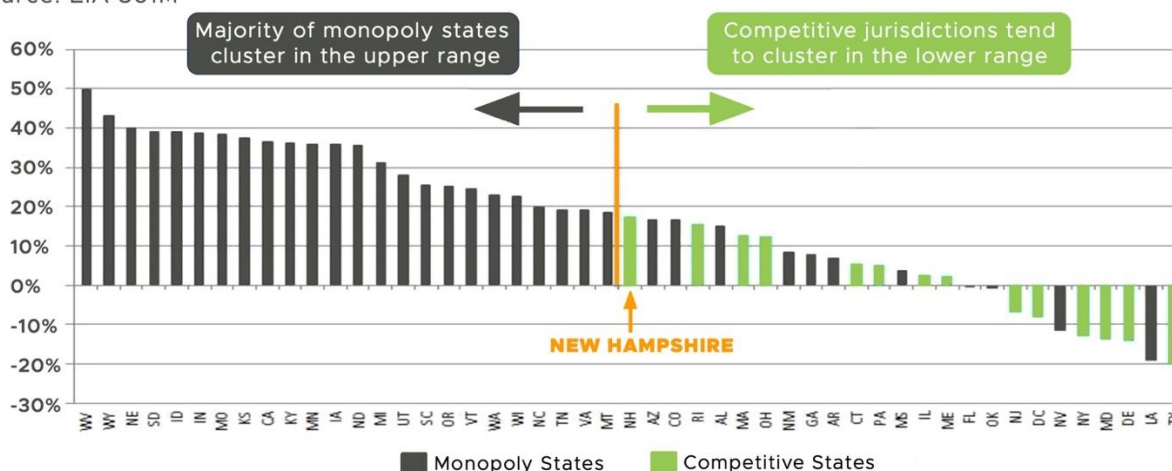
The continued reliance on utilities to provide these customer-facing services has necessitated state regulation over many aspects of the retail customer market. Utility regulation relies on administrative regulatory proceedings, which are necessarily more slow-moving and unable to respond to changing customer technologies and wholesale market dynamics (such as the increased price volatility caused by higher levels of renewable generation) compared to the nimbler, market-based framework envisioned under the Electric Utility Restructuring Act.

Residential customers, in particular, are not offered many rate options or clean technology innovations today: out of the 29 competitive suppliers currently offering service in New Hampshire, only nine offer service to residential customers (and only four serve customers in every distribution utility territory).

As a consequence, New Hampshire has fallen behind every other state with a restructured electricity market in terms of price competition:

All Sector Price % Price Change by State, 2008-2019

Source: EIA 861M



Credit: Retail Energy Supply Association, 2020.

The Community Power Act

In order to support the growth of competitive market services in alignment with The Electric Utility Restructuring Act, Senate Bill 286 and [RSA 53-E:6](#) have authorized towns, cities and counties to launch Community Power programs that replace distribution utilities as default suppliers of electricity to retail customers. The purpose of RSA 53-E is excerpted below:

“The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.”

To achieve this purpose, RSA 53-E:3 allows Community Power programs to enter into agreements and provide for: *“the supply of electric power; demand side management; conservation; meter reading; customer service; other related services; and the operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality’s governing body.”*

RSA 53-E:3-a further provides Community Power programs with authorities and regulatory pathways to offer more advanced meters for customers, and to provide for alternative customer billing options. Both metering and billing services are important means by which Community Power programs will be able to better engage customers and offer more innovative services that lower the energy expenditures and carbon emissions for individual customers and communities.

To enable all municipalities to work together to achieve this purpose, RSA 53-E:3 provides that *“such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to [RSA 53-A](#).”*

Community Power programs *“shall not be required to own any utility property or equipment to provide electric power and energy services to its customers.”* To ensure that utilities are fairly compensated for their continuing role in owning and operating the distribution grid, RSA 53-E:4(III) stipulates that: *“Transmission and distribution services shall remain with the transmission and distribution utilities and who shall be paid for such services according to rate schedules approved by the applicable regulatory authority, which may include optional time varying rates for transmission and distribution services that may be offered by distribution utilities on a pilot or regular basis.”*

Enabling locally controlled Community Power programs, in order to exercise local control over these authorities and bring in third-party competitors to provide more innovative services on a community-wide scale, represents a viable and stable pathway to animate competitive retail markets across New Hampshire — and thus realize a lower-cost, more innovative and sustainable future for both our community and all Granite Staters.

Nashua is committed to using its local control authorities granted under RSA 53-E to accelerate innovation, customer and community choice in electricity supply, the creation of new economic value, and a sustainable and resilient future for our City and customers.

Attachment 2: The Community Power Coalition of New Hampshire

Nashua is a founding member of the Community Power Coalition of New Hampshire (“CPCNH” or “the Coalition”), a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement unanimously approved by Nashua’s Board of Aldermen on May 11, 2021.¹

The Coalition is an all-requirements Joint Powers Agency incorporated as a government instrumentality and non-profit on October 1st, 2021, to provide for the launch and operation of Community Power Aggregation (CPA) programs on behalf of our Members throughout the state. CPCNH intends to launch power supply services in April to May 2023.

CPCNH’s participating local governments Members will share the administrative and general costs of CPCNH on a pro-rata basis, and to elect to share costs, on an individual basis, for operational services, pooled power purchases, and energy project development contracts. CPCNH also engages at the Legislature and Public Utilities Commission on behalf of its members on matters related to energy and Community Power.

CPCNH intends to benefit its Member communities by providing for the delivery of cleaner and more locally produced electricity, innovative retail distributed energy and demand flexibility programs, policy engagement and public advocacy, competitive rates for residents, businesses, and municipal facility customers, and economic investment through the development of local programs, projects, and energy infrastructure.

Most, if not all, members anticipate relying on CPCNH as an energy services provider, for the provision of all-requirements electricity and retail customer services on behalf of their CPA programs, which will operate across all four distribution company service territories in the state: Eversource, Unitil, Liberty Utilities and the New Hampshire Electric Co-Op.

CPCNH is locally controlled, governed by Board of appointed community representatives, and will be funded through customer revenues, with no taxpayer subsidies. By law, each member’s CPA program is funded through program revenues; CPCNH’s budget is completely separate from the general funds of participating local governments.

CPCNH’s Board and committees have held ~80 meetings since incorporation last October. Meetings are subject to New Hampshire’s Right to Know Law and open to the public.

Governance Structure

CPCNH is governed in accordance with our [Joint Powers Agreement](#), and overseen by a Board of Directors composed of the representatives appointed by participating local governments.

Going forward, the Board will be elected by vote of at the Annual Meeting of the Members, which is held every April, and will be composed of between eleven and twenty-one Directors elected from amongst the member representatives.

At present, the Board of Directors is currently composed of 42 representatives (elected officials, municipal staff and volunteers serving on local energy committees) appointed by each of our

¹ https://www.nashuanh.gov/AgendaCenter/ViewFile/Minutes/_05112021-5474

local government Members to serve as either a Director or Alternate Director (each member has only one vote):

CPCNH Board of Directors

Member	Officer	Director	Alternate
City of Lebanon	Chair	Clifton Below	Greg Ames
City of Dover	Vice Chair	Christopher Parker	Jackson Kaspari
Town of Enfield	Treasurer	Kimberly Quirk	Jo-Ellen Courtney
Town of Plainfield	Secretary	Evan Oxenham	Steve Ladd
Cheshire County		Terry Clark	Chris Coates
City of Nashua		Doria Brown	Deb Chisholm
City of Portsmouth		Kevin Charette	Peter Rice
Town of Canterbury		Kent Russwick	Howard Moffett
Town of Durham		Mandy Merrill	Nat Balch
Town of Exeter		Nick Devonshire	Julie Gilman
Town of Hanover		April Salas	Peter Kulbacki
Town of Harrisville		Andrea Hodson	Andrew Maneval
Town of Hudson		Craig Putnam	Kate Messner
Town of New London		Jamie Hess	Tim Paradis
Town of Newmarket		Toni Weinstein	Steve Fournier
Town of Pembroke		Matthew Miller	Jackie Wengenroth
Town of Peterborough		Steve Walker	Danica Melone
Town of Rye		Lisa Sweet	Howard Kalet
Town of Walpole		Paul Looney	Dennis Marcom
Town of Warner		Clyde Carson	George Packard
Town of Webster		Martin Bender	David Hemenway
Town of Wilmot		William Chasson	

CPCNH also conducts its business through the committees, each of which is composed of Member representatives drawn from across the state:

1. **Executive Committee:** bi-weekly and as-needed meetings of CPCNH's Chair, immediate past-chair, Vice Chair, Treasurer, and Secretary. Authorized to act on behalf of the Board, on most matters, in instances where decisions may not wait until the next meeting of the Board.
2. **Finance Committee:** bi-weekly and as-needed meetings of 3 members. Responsible for advising the Treasurer and the Board as to the investments, budget, and general fiscal policy of CPCNH.
3. **Member Operations & Engagement Committee:** bi-weekly and as-needed meetings of 8 members representing Dover, Durham, Hanover, Pembroke, Rye and Walpole, with additional advisors based in Peterborough and Hanover. Responsible for (1) assisting

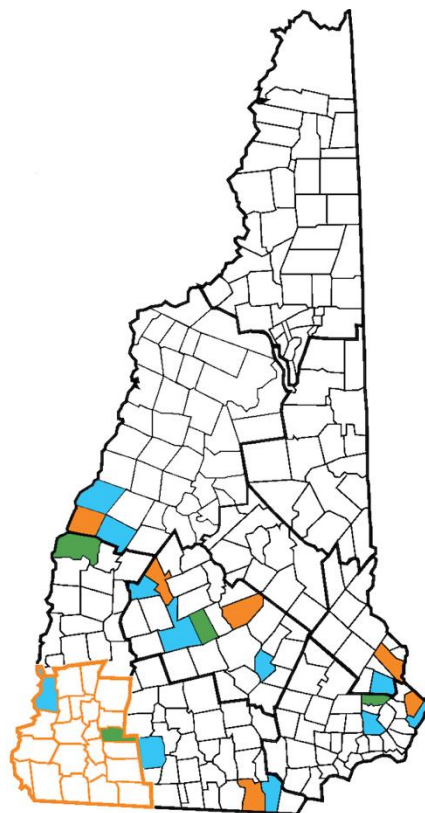
Members' Electric Aggregation Committees through the Electric Aggregation Plan drafting and local approval process, and (2) recruiting new CPCNH Members by engaging with interested communities

4. **Risk Management Committee:** bi-weekly and as-needed meetings of 8 members. Responsible for overseeing CPCNH's competitive solicitation for services and credits support, for overseeing energy portfolio risk management procurement decisions, and for understanding and advising upon enterprise risk factors and mitigating strategies more broadly.
5. **Regulatory and Legislative Affairs Committee:** as-needed meetings of 4 members, Responsible for monitoring and advising CPCNH and its Members regarding regulatory and legislative engagement, and for appointing representatives of the Corporation to serve on statutory commissions, study commissions, and other boards and commissions created by the state legislature.
6. **CEO and Staff Search Committee:** as-needed meetings of 4 members. Responsible for developing a solicitation and hiring process for Board review and approval in preparation for hiring a CEO and key staff.
7. Additionally, prior to the launch of CPA programs, the Board will create an **Audit Committee** and **Governance Committee**, as required standing committees per our Joint Powers Agreement.

Member Service Territory

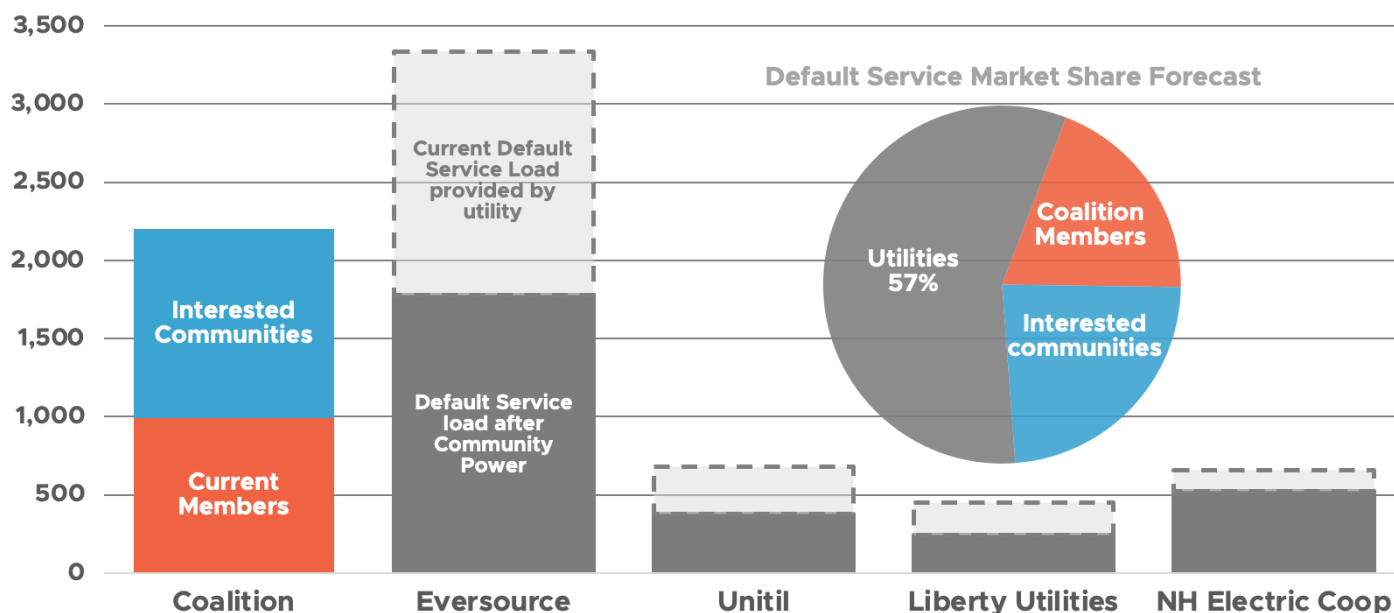
CPCNH's twenty current municipal members, which represent approximately 20% of New Hampshire's population, intend to launch CPA programs in the next one to two years.

- The first wave of CPA programs is slated to launch between April and May of 2023, with service expansion to all current member territories thereafter (likely Q2 2024).
- At this point, CPCNH may serve ~110,000 customer accounts, provide ~900,000 MWh of electricity, and produce revenues of up to ~\$365 million per year (assuming full Member participation and retail pricing based on default utility rates in the current year).
- Over 30 additional local governments have expressed interest in joining CPCNH, which would increase representation to ~50% of New Hampshire's population.
- CPCNH subsequently expects relatively robust member recruitment, and the launch of dozens of new CPA programs in next two to three years.



Consequently, as shown in the graph on the next page, CPCNH is positioned to become the largest default supplier of electricity in New Hampshire:

Default Supply Service by Utility vs. Coalition (forecasted gigawatt-hours of electricity purchases)



Organizational Capacity

The Coalition's [Board, committees, and executive team](#) bring a great breadth and depth of experience to the organization with professional backgrounds that support CPCNH's mission.

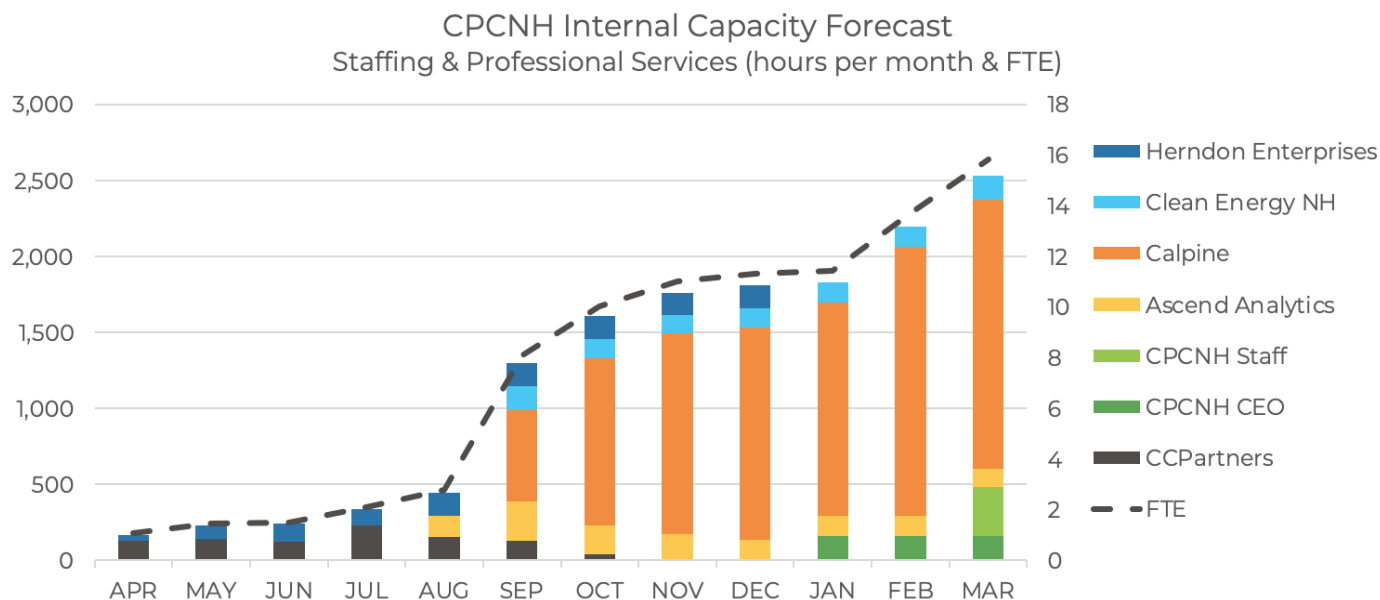
CPCNH is also supported by outside General Counsel ([Michael Postar](#) of [DWGP, P.C.](#) with NH advice from [Eli Emerson of Primer Piper, P.C.](#)) and two professional consultants ([Henry Herndon](#), of Herndon Enterprises, for member services, and [Samuel Golding](#) of Community Choice Partners, for technical advice and support).

Most recently, CPCNH has concluded a [competitive solicitation for services and credit support](#) and is now negotiating contracts for \$750,000 in startup funding, \$9.5 million in credit support, and ~\$8 million to ~\$9 million in professional services to operate the power agency and expand CPCNH's membership over the next three years:

1. [Ascend Analytics](#): for Load Serving Entity (LSE), energy portfolio risk management and procurement services, credit support (three lines of credit providing \$6 million for LSE and wholesale requirements, \$2.5 million for Ascend's invoices, and \$1 million for non-Ascend third-party invoices), and overall implementation management and oversight (CPCNH's critical path analysis is [online here](#); refer to pp. 37-54).
2. [Calpine Energy Solutions](#), for \$750,000 in startup funding and retail customer services: utility electronic data interchange (EDI), retail data management, and call center operations.
3. [River City Bank](#), for secure revenue "lockbox" account administration and various commercial banking services.
4. [Clean Energy New Hampshire](#) for member and community relations, media strategy and engagement, and related administrative services.

CPCNH's committee award reports and winning response materials are [online here](#). CPCNH has also issued an RFP for Executive Search Services, to support hiring a CEO, and anticipates contracting for accounting service, to implement an accounting system and controls for CPCNH.

The chart below shows CPCNH's current and forecasted internal professional services and staffing capacity:



Staffing Strategy

CPCNH currently has no staff and recently issued an [RFP for an Executive Search Firm](#) to expedite hiring a CEO between November 2022 and February 2023. The Board will support the CEO in filling key functional roles with highly qualified staff in managerial positions to provide oversight and initiative that guide's the evolution of the agency.

Expediting the CEO's hiring process for remaining staff positions is a strategic priority for CPCNH in the period leading up to the launch of Member CPA programs, likely after initial customer notifications have been sent in March 2023.

CPCNH anticipates that the CEO will recommend prioritizing staff capacity in the follow areas of expertise:

- Financial Management: Treasury support, budgeting, cash flow analysis, rate setting, financial controls and compliance, and reserve management.
- Retail Services: retail customer products and services, key account management and retention, and local programs.
- Energy Portfolio Management: contract valuation, procurement, power purchase agreements, portfolio strategy, and energy risk management analytics and reporting.
- Information Technology: enterprise data management and analytics.
- Regulatory and Legislative Affairs: engagement with the Legislature, NH Department of Energy, Office of the Public Advocate, Public Utility Commission, distribution utilities, and other stakeholders on energy policy and market issues impacting CPAs.

Regulatory and Legislative Engagement

CPCNH carries out public information campaigns and routinely engages at the Legislature and Public Utilities Commission, often alongside the NH Office of Consumer Advocate, to advance consumer interests and protect and expand the authorities of our Members. [Board Chair Clifton Below](#), Assistant Mayor of the City of Lebanon, often leads the agency's regulatory and legislative engagement activities. Recent initiatives include:

- Authoring the Community Power Aggregation Act, [Senate Bill 286](#) (2019).
- Leading the informal rule drafting process for CPA administrative rules at the Public Utilities Commission by providing initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and helping to lead stakeholder workshops at the request of Commission staff.
- Negotiating amendments to [House Bill 315](#) (2021), which would have substantially changed and weakened CPA authorities as introduced, to instead clarify and expand key CPA authorities — including by authorizing a Purchase of Receivables program. (Refer to CPCNH.)
- Authoring CPCNH to commence the CPA administrative rulemaking process, which was endorsed by a coalition of public stakeholders — including the NH Office of the Consumer Advocate — and adopted by the Commission as their initial and final proposed rules ([docket DRM 21-135](#)).
- Intervening to advocate for the creation of a Statewide Data Platform to enable Green Button access to electricity and natural gas retail customer data, and to negotiate a settlement — recently adopted by the Commission — under which the platform would be governed by a Governance Council of representatives that includes Chair Below on behalf of CPAs and municipalities across the state ([docket DE 19-197](#)).
- Advancing legislation, through multiple legislative sessions, that would properly credit CPAs sourcing power from DER under 5 MW for avoiding not only energy charges, but also transmission and capacity charges ([SB 321](#), 2022).
- Engaging on CPCNH's behalf in [Docket IR 22-053](#) regarding the evaluation of default utility procurement requirements and the potential impact due to CPAs, among other matters.

Purpose, Mission, Values & Power Enterprise Objectives

CPCNH is guided by the requirements and processes provided for under our Joint Powers Agreement, the decisions of our Members and Board of Directors, and the considerations that operating a competitive power enterprise entails.

Purpose of CPCNH

The overarching objective of CPCNH is provided for in the [Joint Powers Agreement](#):

The purpose of CPCNH is to promote the common good and general welfare by supporting the economic vitality and prosperity of local communities by enabling municipalities and counties to support and jointly exercise authorities granted to them pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D, all in accordance with NH RSA 53-A; to assist member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing Electric Aggregation Plans and Programs known as Community Power

Aggregations (“CPAs”); to provide supportive services and technical assistance to community power aggregations serving member towns, cities, counties, unincorporated places, and village districts; and to support and promote public education and civic engagement by the residents and businesses of member communities in developing and implementing energy and climate policies and actions and the role of CPAs in advancing such policies and actions for the common good.

Mission and Values

CPCNH’s Board of Directors has subsequently adopted the mission and values below:

Our mission is to foster resilient New Hampshire communities by empowering them to realize their energy goals. CPCNH will create value for our Community Power member municipalities by jointly contracting for services, developing projects and programs together, educating and engaging the public, and advocating for communities and customers at the Legislature and Public Utilities Commission.

- 1. In carrying out its activities, CPCNH is guided by the following values:*
- 2. Embody an inspiring vision for New Hampshire’s energy future.*
- 3. Support communities to reduce energy costs and pursue economic vitality by harnessing the power of competitive markets and innovation.*
- 4. Support communities to implement successful energy and climate policies and to promote the transition to a carbon neutral energy system.*
- 5. Balance the interests of member communities who are diverse in demographics, geography and their energy goals.*
- 6. Use our shared expertise, leadership and skills to educate, empower and build the capacities of our members.*
- 7. Help communities demystify the power sector to make informed decisions.*
- 8. Facilitate collaboration and teamwork by championing diversity, equity and inclusion of people and communities of all kinds.*

Power Enterprise Objectives

CPCNH’s immediate objectives in implementing CPA supply service in April to May 2023 were summarized in the Coalition’s prior solicitation for services and credit support:

While many of the broader benefits that CPCNH intends to create will be developed over time, the agency’s immediate objectives are to:

- 1. Procure a reliable supply of all-requirements electricity, inclusive of Renewable Portfolio Standard requirements, and satisfy all load-serving entity obligations on behalf of participating customers.*
- 2. Launch with default supply rates that “meet or beat” utility default service rates and maintain competitive default supply rates thereafter.*
- 3. Accrue reserve funds sufficient to ensure Members’ long-term financial stability.*
- 4. Offer voluntary products that retail customers may opt-up to receive as well as Net Energy Metering supply rates that allow customer-generators to participate in the program.*
- 5. Ensure individual customers have excellent customer service experience every time they interact with CPCNH regarding their electric service and all account transactions.*

6. *Guarantee that individual customer data is secure and protected against third party attacks, data breaches and inappropriate use.*

Coalition Energy Portfolio Risk Management, Rates, and Reserves Policies

The Coalition's Members expect the agency to balance customer rate levels, renewable power content, and the accrual of program reserves on behalf of Member programs to meet their local policy objectives. The Board of Directors is incorporating these considerations and trade-offs regarding the prudent allocation of revenues into Energy Portfolio Risk Management, Rates, and Reserves policies, summarized as follows:

- **Energy Portfolio Risk Management Policy:** defines the risks associated with the procurement of the power supply, identifies those responsible for administering the various elements of the risk management policy (from procurement through daily operations and oversight), and sets policy parameters for managing, monitoring, and reporting on the risks associated with procuring and hedging the power supply portfolio. The policy will define the requirements and limits within which Members delegate their procurement authority to CPCNH.
- **Rates Policy:** ensures rates are set in a timely fashion to recover capital and operating costs of Member programs and that public notice and customer communication activities remain in compliance with statutory and Member Electricity Aggregation Plan requirements.
- **Financial Reserves Policy:** sets appropriate target levels (e.g., minimum and maximum contributions) to ensure CPCNH satisfies working capital requirements, procures energy at competitive rates, adheres to contractual covenants, covers unanticipated expenditures, supports rate stability, and progresses towards obtaining an investment grade credit rating. Member contributions to reserves will be tracked, and provided back to Members, pursuant to any contractual obligations, if and when they choose to cease participating in the Coalition.

Member Cost Sharing Agreement

The Coalition's Joint Powers Agreement provides certain requirements regarding how costs will be tracked and shared across participating Community Power programs, which must be formalized in a Cost Sharing Agreement executed with each Member before the Coalition may provide services for their Community Power program, as follows:

- Costs will be tracked in three distinct categories: direct project costs, member services, and general and administrative costs (which are overhead costs that are not associated with any specific project or member service).
- Member cost-sharing agreements will be the same in all material respects: general and administrative costs will be allocated based on each Community Power program's share of total electricity usage each year, while each member will choose and separately pay for the costs of specific services and projects (under terms that reflect a fair allocation across all the members that chose the same services and projects).
- The debts, liabilities and obligations of the Coalition, and of other participating Community Power programs, will be non-recourse to Member communities (unless expressly agreed to by the Member under their Cost Sharing Agreement or a Project Contract).

Attachment 3: New Hampshire's Renewable Portfolio Standard

New Hampshire's Electric Renewable Portfolio Standard ("RPS") statute, RSA 362-F, established the renewable energy policy for the State.

The RPS statute requires each electricity provider, including Eversource and Nashua Community Power, to meet a certain percentage of customer load by purchasing, generating, or otherwise acquiring Renewable Energy Certificates ("RECs"):

- One REC represents the renewable attributes of one megawatt-hour of electricity, or the equivalent amount of useful thermal energy.
- RECs are generated by certified renewable energy facilities for power that is physically delivered into the New England wholesale electricity market operated by ISO-New England (which means the power can come from within New England, New York, or eastern Canada).
- The New England Power Pool Generation Information System (NEPOOL GIS) issues and tracks RECs for the region.
- RECs are generally used for compliance in the same year as the renewable power was generated, though suppliers may "bank" RECs for up to two years to meet up to 30% of compliance requirements.

There are four distinct "classes" of renewable certificates under the RPS, each distinguishing between different technologies and dependent upon the year that the generators came online:

1. Class I is divided between thermal and non-thermal renewables:
 - Class I non-thermal electricity, from generators that came online after January 1, 2006: wind, solar, small hydroelectric, methane (biologically derived such as from anaerobic digestion of organic materials), biomass, hydrogen (from methane or biomass), ocean thermal, current, tidal or wave energy, and also biodiesel (if produced in state).
 - Class I thermal energy, from generators that came online after January 1, 2013 (and are producing thermal energy, rather than electricity): geothermal, solar thermal, biomass and methane.
2. Class II: solar generation that came online after January 1, 2006.
3. Class III: biomass & methane that came online before January 1, 2006.
4. Class IV: small hydroelectric that came online before January 1, 2006.

Electricity suppliers must obtain RECs for each of the four classes of renewables as a set percentage of their retail electric load, which increase on an annual basis (until plateauing after 2025, unless the RPS is raised in future):

Compliance Year	Total RPS Requirement	Class I Non-Thermal	Class I Thermal	Class II Solar	Class III Biomass & Methane	Class IV Small Hydro
2020	20.70%	8.90%	1.60%	0.70%	8.00%	1.50%
2021	21.60%	9.60%	1.80%	0.70%	8.00%	1.50%
2022	22.50%	10.30%	2.00%	0.70%	8.00%	1.50%
2023	23.40%	11.00%	2.20%	0.70%	8.00%	1.50%
2024	24.30%	11.90%	2.20%	0.70%	8.00%	1.50%
2025 onwards	25.20%	12.80%	2.20%	0.70%	8.00%	1.50%

Note the following flexibilities in meeting Class I requirements:

- Class I non-thermal requirements may be met with Class I thermal biomass and methane resources;
- Class I requirements may also be met with Class III (biomass & methane, thermal and non-thermal) or Class IV (small hydroelectric, non-thermal) resources that have been restored through significant investment or have otherwise begun generating in excess of historic baselines; and
- Solar that came online after January 1, 2006, may be used to satisfy Class I or II requirements.

Additionally, net metered customers (primarily customers with solar photovoltaics) that meet certain registration and administrative requirements can track and sell their RECs (which are accounted for in NEPOOL's Generation Information System). Not all customers do, however, and the REC production from such customer generators are estimated by the Public Utilities Commission each year and applied to lower the Class I and Class II procurement requirements of the utilities and other suppliers.

If the electricity providers are not able to meet the RPS requirements by purchasing or acquiring renewable energy certificates, they must pay alternative compliance payments (ACPs). The funds are used for a variety of renewable programs in New Hampshire.

The result is that these alternative compliance payment prices essentially act as a price ceiling for the REC market in New Hampshire. The ACPs for RECs by class in recent years are:

Inflation Adjusted Alternative Compliance Payment Rate (\$ per Megawatt Hour)					
	2018	2019	2020	2021	2022
Class I (Non-Thermal)	\$ 56.54	\$ 57.15	\$ 57.61	\$ 57.99	\$ 59.12
Class I Thermal	\$ 25.69	\$ 25.97	\$ 26.18	\$ 26.35	\$ 26.86
Class II	\$ 56.54	\$ 57.15	\$ 57.61	\$ 57.99	\$ 59.12
Class III	\$ 55.00	\$ 55.00	\$ 34.54	\$ 34.99	\$ 36.36
Class IV	\$ 28.00	\$ 28.60	\$ 29.06	\$ 29.44	\$ 30.59

For example, all four distribution utilities have recently made alternative compliance payments instead of purchasing certain categories of RECs:

Company	Class I	Class I Thermal	Class II	Class III	Class IV	Total
Liberty Utilities	\$ 169,373	\$ 139,854	\$ -	\$ -	\$ 16,651	\$ 325,878
New Hampshire Electric Cooperative	\$ -	\$ 77,781	\$ -	\$ 279,152	\$ -	\$ 356,933
Eversource Energy	\$ -	\$ 723,746	\$ -	\$ -	\$ 338,433	\$ 1,062,179
Unitil Energy Systems, Inc.	\$ -	\$ 49,088	\$ -	\$ 411,820	\$ -	\$ 460,908
Distribution Utilities Subtotal	\$ 169,373	\$ 990,468	\$ -	\$ 690,973	\$ 355,084	\$ 2,205,898

For additional information on the Renewable Portfolio Standard, refer to:

- [New Hampshire's RPS statute \(RSA 362-F\)](#)
- [Public Utilities Commission RPS Website](#)
- [New Hampshire Renewable Energy Fund Annual Report \(1 October 2020\)](#)
- [UNH Sustainability Institute Study: New Hampshire RPS Retrospective 2007 to 2015](#)

Attachment 4: Utility Default Procurement Cycles and Rate Setting

Nashua Community Power has a goal of maintaining competitive default rates compared to Eversource, while also offering voluntary products that retail customers may opt-in to receive.

The timing of the program's rate setting decisions, and, to a certain degree, the procurement of electricity will need to consider when Eversource conducts these same activities (particularly for the program's default electricity product).

For several years, Eversource, Liberty and Unitil have all issued requests for proposals (RFPs) twice annually for competitive suppliers to assume load-serving entity obligations and supply default customers with electricity for 6-month "strip" periods, with suppliers bidding to serve individual "tranches" or segments of customers by class. The procurement schedules, tranches, and rate practices for each distribution utility have been:

- **Eversource** (Public Service Company of New Hampshire): issues RFPs in May and November with bids due in early to mid- June and December for suppliers to begin serving customers in August and February, offering four ~100 MW tranches to serve small customers and a single tranche to serve large customers (five tranches in total). Retail rates are fixed over the 6-month period for small customers and vary by month for large customers.
- **Liberty**: follows the same supplier RFP schedule and retail pricing as Eversource but (1) solicits supply for small customers in a single 6-month block tranche and for large customers in two, consecutive three-month block tranches (3 tranches total), and (2) allows bidders to include and price RPS compliance obligations separately (as an additional product).
- **Unitil**: issues RFPs in March and August for delivery beginning in June and December, offering tranches of residential, small commercial, outdoor lighting and large customers classes (four tranches). The large customer RFP is structured in a distinct fashion, in that it passes through market costs for energy and so suppliers compete to price capacity, congestions, ancillary services, etc. for the large customer tranche over the 6-month term; retail rates reflect these load-serving entity costs along with the pass-through of real time locational marginal market prices (which are load-weighted by the entire class's hourly load shape i.e., not the individual large customer's usage profile). Retail rates for the residential, small commercial, and outdoor lighting classes are fixed over the 6-month term, though customers have the option to choose variable monthly pricing if the election is made prior to the start of the next 6-month term.

Note that these processes are subject to change by the Commission. Most recently, in response to elevated default supply rates, the Commission opened an investigation regarding utility procurement processes, and recently authorized Unitil to contract for electricity over an 8-month period (rather than the 6-month period relied upon to-date), such that, beginning next year, all three utilities will be on the same procurement cycle going forward.

Supplier bids submitted to utilities are priced in dollars per megawatt-hour (\$/MWh) on a monthly basis and generally exclude Renewable Portfolio Standard (RPS) compliance obligations (called "Renewable Energy Certificates" or "RECs"), though Liberty Utilities allows RECs to be bid as a separate product. Distribution utilities typically procure most or all of their supply of RECs through competitive solicitations held separately from the auctions for default electricity service.

New Hampshire's RPS requires all electricity suppliers to procure or otherwise obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2022, Eversource is required to include 22.5% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS requirement by the NH legislature.

Refer to [Attachment 3](#) for further details on the RPS.

Attachment 5: Overview of Utility Net Energy Metering Tariffs

Discussion of Utility Net Metering, Group Net Metering and Low-Moderate Income Solar Project Tariffs

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

The credits and compensation customer-generators receive for electricity exported to the grid are defined under Net Energy Metering (NEM) tariffs offered by Eversource, Liberty, Unitil and the New Hampshire Electric Cooperative.

The Public Utilities Commission (PUC) regulates the investor-owned distribution utilities' Net Energy Metering (NEM) tariffs in accordance with [PUC Rule 900](#) and [RSA 362-A:9](#) (refer to [RSA 362-A:9, XIV](#) specifically for Group Net Metering statutes). The NH Electric Cooperative member elected Board of Directors sets their net-metering tariff rather than the PUC. Note that for the three investor-owned distribution utilities:

- NEM tariffs offered by the utilities underwent a significant change several years ago;
- Customer-generators that installed systems before September 2017 may still take service under the "NEM 1.0" tariff ("standard" or "traditional" NEM); whereas
- Systems installed after August 2017 must take service under the "NEM 2.0" tariff ("alternative NEM")
- NEM 1.0 customers are allowed to switch to taking service under the NEM 2.0 tariff, but cannot subsequently opt-back into NEM 1.0 (with limited exceptions, e.g., participation in certain pilot programs).

Under both tariffs, customer-generators are charged the full retail rate for electricity supplied by Eversource and receive credits for electricity they export to the grid for some (but not all) components of their full retail rate. Refer to the next subsection for tables comparing NEM 1.0 to 2.0 tariffs.

To appropriately measure and credit customer-generators taking service under a NEM tariff, Eversource installs a bi-directional net meter that records each kilowatt-hour (kWh) supplied to the customer from the grid and also each kWh that flows back into the grid. This data is recorded and collected on a monthly billing-cycle basis.

For NEM 1.0 tariff systems (installed before September 2017), any kWh exported to the grid are netted against kWh consumed. If there is a net surplus of kWh at the end of the monthly billing period (i.e., more power was exported to the grid by the customer-generator than was consumed) those surplus or negative kWh are carried forward and can be used to offset future kWh consumption (so the customer only pays for their "net" energy consumption).

For NEM 2.0 tariff systems (installed after August 2017), all customer-generators receive a monetary credit for each kWh that is exported valued at 100% of their default electricity supply

rate component for the month. Smaller systems (up to 100 kilowatts in size) additionally receive credits for 100% of the transmission component and 25% of the distribution component of their retail rate. (Larger systems, up to 1,000 kilowatts in size, only receive full credit for the electricity supply rate component.)

Note that most customer-generators in Nashua Community Power are expected to be taking service under NEM 2.0 tariffs going forward.

Any credits that accumulate overtime are tracked and used to offset the customer-generator's future electricity bills. Customers may also request to cash-out their surplus credit once a year, after their March billing cycle, if the balance exceeds \$100 (or any balance in the event of moving or service disconnection). NEM 1.0 surplus balances are tracked as kWh credits and are converted to dollars at wholesale avoided costs, while NEM 2.0 surplus balances are tracked as monetary credits directly (in dollars). Note that these cash-outs are treated as taxable income by the Internal Revenue Service (IRS). Payments of \$600 or more remitted to the customer are accompanied by a 1099 form for the IRS. Utilities may also issue IRS Form 1099s for smaller amounts.

Alternatively, Group Net Metering is a process that allows any customer-generator to share the proceeds of their surplus generation credits to directly offset the electricity bills of other customers, which is financially more advantageous and can increase the effective value of the system. All the members in the group need to be within the same distribution utility service territory but may be served by different suppliers, including by Nashua Community Power. The credits are calculated based on the host site's NEM tariff and retail rate, and payments are credited to offset the electricity bills of each member directly by the utility (if the customers are billed for supply by the utility). These allocations are governed by a Group Net Metering Agreement between the host customer-generator and group members, which is part of the registration process overseen by the Public Utilities Commission.

Note that larger systems (up to 1,000 kilowatts in size) actually have to register as group hosts in order to qualify for net metering in the event that the customer-generator exports more than 80 percent of the power produced onsite to the distribution grid. Additionally, if the electricity exported from larger systems exceeds the total electricity usage of the group on an annual basis, the credit for the residual amount (e.g., electricity exported in excess of the group's total usage) is re-calculated based on the utility's avoided cost of electricity supply. This rate is lower than the NEM credit based on the customer-generator's retail rate, and results in a downward payment adjustment issued by the utility to the host customer. Residential systems under 15 kilowatts, however, are not subject to this adjustment.

Most recently, a Low-Moderate Income (LMI) Community Solar Project option has been implemented under Group Net Metering. The program currently provides an incentive of 3 cents per kWh (dropping down to 2.5 cents after July 2021) in addition to the host site's NEM credits, and solar systems may be either rooftop or ground-mounted systems. To qualify, groups must include at least five residential customers, a majority of which are at or below 300 percent of the federal poverty guidelines, and non-residential customers cannot account for more than 15 percent of the total projected load in the group.

Lastly, all group hosts (except for residential systems under 15 kilowatts) must file an annual report with the Public Utilities Commission and their utility that includes the annual load of the

host and members, annual total and net surplus generation of the host site system, and additional information for Low-Moderate Income Community Solar Projects.

In addition to NEM credits, all customer-generators have the option of selling the Renewable Energy Certificates (RECs) produced by their systems. This can provide an additional revenue stream to customer-generators, but requires a separate REC meter, registration, and ongoing reporting requirement.

Alternatively, the Public Utilities Commission estimates the RECs that could be produced by all customer-generators who do not separately meter and sell their RECs and lowers the Renewable Portfolio Standard procurement requirements for all load-serving entities by an equivalent amount.

Comparison of Utility “Standard” and “Alternative” Net Energy Metering Tariffs

The tables below compare the two tariff structures, which offer different credits to customers depending on the size of their installed system:

Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid

	NEM 1.0 <i>“Standard NEM”</i> <i>Offered prior to 9/1/2017</i>	NEM 2.0 <i>“Alternative NEM”</i> <i>Effective 9/1/2017</i>
Large Systems <i>100 Kilowatts to 1 Megawatt</i>	Full credit (at the customer’s retail rate) for electricity supply <u>only</u>	
Small Systems <i>≤ 100 Kilowatts</i>	Full credit for electricity supply, distribution, transmission, System Benefits, Stranded Cost & Storm Recovery charges	Full credit for electricity supply and transmission; 25% credit for distribution & no credit for other charges

As shown in the table above, levels of compensation for small customer-generators (with systems up to 100 kilowatts) were lowered, such that these customers no longer receive full compensation on their distribution rate component or several other small charges (e.g., the System Benefits, Stranded Cost and Storm Recovery charges).

Additionally, the NEM 2.0 tariff modified the type of credit, and the ways credits for surplus generation are tracked and refunded, for both small and large customer generators:

- Under NEM 1.0, any surplus generation would be tracked as a kilowatt-hour (kWh) credit, which was carried forward to offset the customer’s consumption (and bill) in future months. For any kWh credits remaining on an annual basis (at the end of March each year), such customers have the option of either continuing to bank their credits to offset future usage, or to convert the kWh credit into a monetary credit, at a rate set by the Public Utilities Commission (typically ~3 to 5 cents per kilowatt-hour) and to apply the amount to their account or receive a check for the amount owed.
- Under NEM 2.0, kWh credits are automatically converted into a monetary credit every month,

valued at the customer's retail rate for that specific month. Customers have the option of either carrying the credit forward to offset to their electricity bill in future months or may receive the refund directly as a check.

The crediting mechanism under NEM 1.0 was relatively more advantageous for customers in one respect. Solar systems generate more power in the spring and summer months relative to other seasons; consequently, the credits that customer-generators would accrue during the summer months would offset their consumption in the winter months on a one-to-one, kWh per kWh basis. This is advantageous because winter supply rates are above summer rates on average.

In another respect, NEM 2.0 offers an advantage to customers that accrue surplus credits over the course of the year, because the surplus is calculated based on components of the customer's retail rate — which is higher than the ~3-5 cents per kilowatt-hour value that is applied to convert NEM 1.0 kWh credits into a monetary credit whenever customers elect to cash-out their surplus.

These changes are summarized in the table below, and apply to all customer-generators regardless of system size:

NEM 1.0 <i>"Standard NEM"</i> <i>Offered prior to 9/1/2017</i>	NEM 2.0 <i>"Alternative NEM"</i> <i>Effective 9/1/2017</i>
kWh credit carried forward. May be refunded at a rate calculated by the Public Utilities Commission (typically ~3 to 5¢ per kWh).	kWh converted to monetary credit automatically each month. Monetary credit carried forward as a bill credit or refundable.

Additional details may be found in the Eversource, Liberty and Unitil tariffs and the Public Utilities Commission website:

- [Eversource Tariffs](#)
- [Unitil Tariffs](#)
- [Liberty Utilities Tariffs](#)
- [PUC overview of Net Metering](#)
- [PUC graphic explanation of NEM 1.0 vs. NEM 2.0.](#)

Net Energy Metering Systems by Utility Territory

According to recent [Energy Information Agency \(EIA\) Form 861m data](#), there are about ~11,000 customer-generators taking service under Net Energy Metering tariffs in New Hampshire, with a cumulative installed capacity of approximately 140 megawatts (in terms of nameplate capacity in alternating current, or "AC"). Estimated numbers of customer-generators and installed capacity by technology are summarized below:

- Solar photovoltaics: ~120 megawatts (MW) and 10,760 customer-generators; note that:
 - Group Net Metering accounts for an additional ~1.5 MW serving 56 customers; and

- Sixteen residential customers, in addition to solar photovoltaics, also have battery storage systems with a cumulative capacity of 175 kilowatts (an average size of ~11 kilowatts per customer).
- Onsite wind: 412 kilowatts (kW) and 72 customer-generators.
- “Other” technologies (presumably, small hydro or qualifying combined heat and power systems, or “CHP”): ~17.5 megawatts (MW) and 55 customer-generators.

The table below provides the number of customer-generators in each distribution utility territory:

Number of Net Metered Customer-Generators by Technology

	Customer-Generators by Technology				Subsets of Solar PV Customers	
	Total	Wind	Other (CHP or Hydro)	Solar PV	Group Net Metering	Battery Storage
Eversource	7,949	37	52	7,860	21	0
Unitil	1,066	3	1	1,062	0	0
Liberty Utilities	724	1	0	723	22	16
NHEC	1,204	31	2	1,171	13	0
Total	10,943	72	55	10,816	56	16

The number of customer-generators by customer class with onsite solar photovoltaic systems, total installed capacity, and average solar system size in each utility territory are provided for reference in the tables below.

Note that these tables do not include Group Net Metered systems and participating customers within groups and reflect only installed solar photovoltaic system capacity (i.e., exclusive of onsite battery storage capacity).

Net Metered Solar Photovoltaic Systems: Number of Customer-Generators

	Residential	Commercial	Industrial	Total Customer-Generators
Eversource	7,195	630	35	7,860
Unitil	973	61	6	1040
Liberty Utilities	633	77	0	710
NH Electric Coop	1,065	81	4	1,150
Total	9,866	849	45	10,760

Net Metered Solar Photovoltaic Systems: Total Installed Capacity (MW-AC)

	Residential	Commercial	Industrial	Total Installed Capacity (MW-AC)
Eversource	54.15	29.66	5.09	88.91
Unitil	7.40	2.30	0.73	10.43
Liberty Utilities	4.78	5.12	0.00	9.90
NH Electric Coop	7.61	2.46	0.60	10.66
Total	73.94	39.54	6.42	119.90

Net Metered Solar Photovoltaic Systems: Average System Size (kW-AC)

	Residential	Commercial	Industrial	Average System Size (kW-AC)
Eversource	7.5	47.1	145.5	66.7
Unitil	7.6	37.8	121.2	55.5
Liberty Utilities	7.6	66.5	N/A	24.7
NH Electric Coop	7.1	30.3	149.0	62.2
Average	7.5	45.4	138.6	52.3

Attachment 6: Net Metering, Group Net Metering & Low-Moderate Income Solar Project Opportunities

Please refer to Attachment 5: [Overview of Utility Net Metering Tariffs](#) as context for this section.

[RSA 362-A:9, II](#) grants Community Power programs broad statutory authority to offer customer-generators new supply rates and terms for the generation supply component of Net Energy Metering (NEM). The relevant statutory authority is quoted in full below:

“Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible customer-generators. The commission may require appropriate disclosure of such terms, conditions, and prices or credits. Such output shall be accounted for as a reduction to the customer-generators’ electricity supplier’s wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering.”

Nashua Community Power intends to offer a NEM generation rate and terms to customers with onsite renewable generation eligible for net metering from Eversource. Note that any non-supply related components of the Net Energy Metering tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by their utility.

How Nashua Community Power calculates, accounts for and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in the City.

Nashua Community Power also anticipates encountering practical challenges of an operational nature in administering net metering and group net metering programs. This is partly because net energy metering continues to evolve in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and Eversource are subject to refinement and change over time.

Nashua Community Power will be one of the first default aggregation programs to launch in Eversource’ service territory, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing and data management requirements of this subset of customers. Nashua Community Power will maintain close coordination with Eversource to expeditiously resolve any such issues that may occur.

For example, Nashua Community Power may decide to separately issue supply bills to customers that have installed systems after September 2017.

The advantage in dual-billing this subset of customers stems from what is essentially an accounting irregularity in how Eversource’ billing system and PUC policies currently treat customer-generators taking service under the NEM 1.0 tariff, which applies to systems installed

before September 2017, versus the NEM 2.0 tariff, which applies to all systems installed after that date. As context:

- The cumulative surplus generation exports of net metered customer-generators will decrease the amount of electricity that Nashua Community Power will have to purchase from the regional power market to supply other customers in the program. The surplus generation from both NEM 1.0 and NEM 2.0 customer-generators will be tracked and netted out from the program's wholesale load obligations by Eversource for this purpose.
- However, for the purpose of netting out of the program's Renewable Portfolio Standard (RPS) compliance requirements, the surplus generation from NEM 1.0 customers is tracked and accounted for differently than it is for NEM 2.0 customers:
 - Surplus generation from NEM 1.0 customers is tracked as a kWh credit that is carried forward to offset the customer's future electricity supply requirements; these kWh credits will be counted as an offset that decreases the total electricity supplied by the program to retail customers in aggregate (which lowers the program's RPS compliance obligation).
 - Surplus generation from NEM 2.0 customers is tracked as a monetary credit that is carried forward to offset the customer's future electricity bills; even though the monetary credit is calculated each month based on every customer's kWh surplus generation, the monetary credit is treated as a re-sale or delivery of power generated by NEM 2.0 customer and provided to other participating customers through the program — it is not treated, in other words, as an offset that decreases the total electricity supplied by program to retail customers in aggregate — and therefore does not lower RPS compliance obligations in the same way.

The practical consequence of this accounting treatment is that Nashua Community Power would have to purchase Renewable Energy Certificates for the amount of surplus generation supplied by NEM 2.0 customer-generators (but not NEM 1.0 customer-generators) in the same way as if the program had imported that amount of electricity from the regional wholesale market.

- Taking on the responsibility of billing this subset of NEM 2.0 customers directly may allow Nashua Community Power to track and account for the impact of their surplus generation in ways that lower the program's RPS compliance obligations and costs. Specifically, the program could credit customers currently on the utility's NEM 2.0 tariff in the same way that NEM 1.0 customers are credited (i.e., using kWh credits to track surplus generation on the supply portion of the bill). Note that RSA 362-A:9,II explicitly grants Community Power programs the flexibility to offer net metered customers either:
 - A *"credit, as an offset to supply"* for their surplus generation, which is equivalent to the NEM 1.0 tariff accounting practices; or
 - To *"purchase the generation output exported"* which is equivalent to how the NEM 2.0 tariff tracks surplus generation.

Exercising the first option listed above, by offering NEM 2.0 customers a kWh credit tracked as an offset to supply, would allow Nashua Community Power to harmonize the accounting treatment of NEM 1.0 and 2.0 surplus generation for the purpose of program RPS compliance reporting. This would help lower program rates and is an option that the program may

therefore find cost-effective to implement.

Additionally, certain customer-generators currently receiving IRS Form 1099 taxable income from monetary credits under Eversource' NEM 2.0 tariff may benefit financially from receiving kWh credits for the supply portion of their monthly surplus generation instead.

While dual billing is typically avoided — as it is less convenient for most customers to receive a separate bill from their utility and supplier — customers with onsite generation systems tend to be highly informed on energy issues and respond positively to more active engagement with both their utility and supplier.

Consequently, dual billing may enhance customer satisfaction, awareness and ongoing participation in the program for customer-generators. Furthermore, dual billing could be done electronically, which is more convenient for the customer and will be less costly for the program than sending paper bills.

Furthermore, Nashua Community Power may be able to create additional value for customer-generators through a combination of dual billing, assistance with metering upgrades and time-varying rate structures. For example:

- Many customer-generators with solar systems may benefit from local programs that help them reduce their full energy bill costs;
- Providing the customer with a separate supply-only bill would allow Nashua Community Power to also offer a time-varying rate (which may not otherwise be available through Eversource' billing system);
- Upgrading to an interval meter (if the customer does not have one) and installing onsite battery storage, combined with a time-varying rate, may enable the customer-generator to further lower their overall bill by shifting their pattern of electricity usage at times of high-power prices and constrained generation and transmission capacity. This could also help to manage and lower the program's electricity supply costs in aggregate as well, and thus benefits all participating customers.

Similarly, Nashua Community Power may be able to streamline the process and cost of installing REC production meters for customer-generators that don't already have one. By registering customer-generators and purchasing their RECs for their onsite power generation Nashua Community Power could use them to satisfy part of the program's overall RPS compliance requirements. This would allow the program to source RECs locally and would provide an additional source of revenue for customer-generators in the City.

Nashua Community Power also intends to evaluate ways to enhance the value of the NEM credits that customers receive overall, from both the program and Eversource. For example, customer-generators may benefit by becoming hosts in Group Net Metering, including by establishing a Low-Moderate Income Solar Project group. The program may be able to streamline the process required to do so, which entails:

- Matching customers interested in becoming members with prospective group hosts;
- Executing a Group Net Metering Agreement together;
- Registering the group with the Public Utilities Commission and Eversource; and
- Thereafter filing annual compliance reports.

Lastly, NEM tariffs are subject to revision and Nashua Community Power, through the Coalition, intends to work with Eversource, participate in Public Utilities Commission proceedings and engage at the Legislature on issues that impact how the tariffs evolve going forward.

Customers are increasingly adopting new energy technologies and expect to be offered rates and services that provide them with new choices and fair compensation based on their investment; the program's ability to assist customers in these ways is heavily dependent on how state policies and utility regulations evolve over time.

Nashua Community Power will seek to represent the interests of our community and customers in these matters.

Attachment 7: How Load Serving Entity Services will be Implemented

Nashua Community Power will implement Load Serving Entity (LSE) services, for the purpose of procuring or selling electricity on behalf of customers participating in the aggregation.

Nashua may independently contract with a Competitive Supplier to provide LSE services for customers participating in Nashua Community Power, or may choose to participate fully in the Coalition, and thereby contract or provide for LSE services jointly with other participating Community Power programs.

The Role & Responsibility of Load Serving Entities

A Load Serving Entity (LSE) is an entity that has registered with ISO New England (ISO-NE, the nonprofit regional wholesale electricity market operator) as a market participant and assumes responsibility for securing and selling electric energy and related services to serve the demand of retail customers at the distribution level (i.e., homes and businesses).

As context, every retail customer in New Hampshire (and across New England) is assigned to a specific Load Serving Entity at all times:

- Customers on utility default service are periodically re-assigned to whichever Competitive Supplier has won the utility's most recent auction or the utility as LSE. Refer to [Attachment 4](#) for an overview of utility default procurement solicitations.
- Similarly, customers are assigned to a different Load Serving Entity whenever they are transferred to CPA service on an opt-out default basis, choose to opt-in to take service from the CPA, or switch to a Competitive Supplier of their choosing.

Consequently, all Competitive Suppliers and Community Power Aggregators (CPAs) in New Hampshire are required to either:

1. Register as a Load Serving Entity with ISO-NE; or
2. Contract with a third-party that has agreed to be the Load Serving Entity responsible for the Competitive Supplier's or CPA's customers.

To ensure that customers receive firm power supply, there are a variety of services that need to be performed and electrical products that must be procured or otherwise provided. The required products and services are referred to as "all requirements energy" (or alternatively, "full requirements service").

The role of Load Serving Entities is to provide, arrange for, or otherwise pay for the cost of providing all requirements energy to customers. The majority of these requirements are defined by the ISO-NE wholesale market operator, which is subject to Federal oversight, but certain requirements are defined by the state in which the LSE registers to serve customers (Renewable Portfolio Standard requirements, for example).

In New Hampshire, full-requirements energy is defined as the provision or cost of (1) electrical energy, capacity, and reserves (including transmission and distribution losses); (2) ancillary services, congestion management, and transmission services (to the extent not already provided by the customer's utility); (3) the costs associated with complying with New Hampshire's Renewable Portfolio Standard (i.e., the cost of purchasing Renewable Energy Credits or, if an

insufficient number of credits is procured, the cost of Alternative Compliance Payments, as detailed in [Attachment 3](#)); and (4) other services or products necessary to provide firm power supply to customers (i.e., because the definition and requirements of the above products and services are subject to change overtime).

Each of the above products and services is procured, provided, and accounted for in different ways, through market mechanisms and regulated processes that have been designed to accommodate the unique characteristics of the product or service in question.

Given the complex and capital-intensive nature of providing all requirements electricity to customers, Load Serving Entities are subject to significant state and Federal oversight, in terms of registration, reporting, and financial security requirements.

The web pages below provide current information regarding Load Serving Entity registration, financial security, and renewal requirements to operate in ISO-NE and New Hampshire:

- ISO-NE: [New Participant Registration Instructions](#)
- NH PUC: [Forms for Competitive Electric Power Suppliers and Electric Load Aggregators](#)
- Eversource: [Electric Information for Suppliers & Aggregators](#)
- Unitil: [Energy Supplier Resources](#)
- Liberty Utilities: [Become a Liberty Utilities Approved Supplier](#)
- New Hampshire Electric Cooperative: [Supplier Information](#)

Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

The City may contract with CPCNH, as an all-requirements (see attachment seven for definition of “all-requirements”) joint powers agency, for the provision of LSE services, all requirements energy supply and all other energy services required to implement and operate Nashua Community Power.

CPCNH Competitive Solicitation for Comprehensive Services and Credit Support

On behalf of the City and CPCNH’s eighteen other Member communities, each of which are in various stages of authorizing Community Power Aggregations, CPCNH issued a Request for Proposals (RFP) for Comprehensive Services and Credit Support on April 25, 2022 and is currently conducting a solicitation process “*to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate of Community Power Aggregation (CPA) programs.*”² As context:

- For an overview of CPCNH’s authorities as a Joint Powers Agency, the RFP, proposal evaluation and contracting process, and the process by which CPCNH’s Board of Directors and participating Member communities, including the City, plan to draft and adopt enabling agreements, contracts and policies (such as the Energy Portfolio Risk Management, Rates, and Financial Reserves policies), refer to “Responsibilities of the Community Power Coalition

² CPCNH’s Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: <https://www.cpcnh.org/solicitations>.

of New Hampshire (CPCNH)” in [Attachment 8](#): Customer Data Protection Plan below.

- CPCNH’s RFP is primarily based upon the solicitation and contracting strategy pioneered by the [Redwood Coast Energy Authority](#) (RCEA), a CPA Joint Powers Authority in California that is similar in size to CPCNH and which successfully contracted for comprehensive services and credit support (inclusive of LSE services) on an at-risk, deferred compensation basis.
 - RCEA subsequently launched CPA program service and began providing LSE services and all-requirements supply to CPA customers in 2017 and has operated continuously while accruing financial reserves and enabling numerous local programs and new project developments.
 - The three Professional Services Agreements that RCEA negotiated and executed subsequent to their RFP process provided (1) LSE and portfolio risk management services and credit support, (2) retail data management, billing, and customer care services, and (3) various support services (e.g., administration, marketing, etc.). All three contracts are available for review [online here](#).
- Subsequent CPA Joint Powers Agencies have employed similar solicitation and contracting strategies in order to successfully contract for and implement LSE and portfolio management services for participating CPA customers.
- CPCNH previously issued a Request for Information for Comprehensive Services and Credit Support in December 2021 and received numerous submissions from well-established third-party vendors that provide LSE services, portfolio management services and credit support in response. (CPCNH’s Board of Directors has designated the responses as confidential due to fact that the competitive solicitation is ongoing.)³

The scope of operational services requested under CPCNH’s RFP is to broadly “*provide all required services and credit support necessary to operate the agency and supply all-requirements electricity to CPA customers*”. The specific scope of operational functions requested in CPCNH’s RFP is provided below:

1. *Retail Data Management and Billing Services*
 - a. *Utility Electronic Data Interchange (EDI)*
 - b. *Customer Data Validation and Error Resolution Management*
 - c. *Billing Calculations*
 - d. *Utility Payment Receipt*
 - e. *Revenue Oversight and Tracking*
2. *Retail Customer Solutions*
 - a. *Customer and Program Analytics and Insights*
 - b. *Rate Design Development, Pricing and Product Structuring*
 - c. *Grid Edge Enablement and Portfolio Integrations*
 - d. *Key Account Relationship Management*
 - e. *Inbound and Outbound Call Center Operations*
 - f. *Digital Engagement and Orchestration*
3. *Portfolio Risk Management Services*
 - a. *Energy Portfolio Planning and Development*

³ CPCNH’s Request for Information for Comprehensive Services and Credit Support is available online at: <https://www.cpcnh.org/solicitations>

- b. Contract Valuation and Procurement*
 - c. Deal Capture, Contract Management and Counterparty Monitoring*
 - d. Trading, Position Management and Reporting*
 - e. Forecasting, Scheduling and Settlements*
 - f. ISO shadow settlements and dispute resolution*
 - g. ISO monitoring, stakeholder processes, collateral posting and onboarding support*
- 4. Banking and Financial Services*
 - a. Credit Support*
 - b. Secure Revenue Account Administration*
 - c. Accounting Support and Controls*
 - d. Financial Statement Setup and Review*
 - e. Revenue Forecasting and Budgeting*
 - f. Invoice Validation*
- 5. Enterprise Data Management: to support the development of an in-house central repository of customer and other data for use by CPCNH staff and authorized third parties for the purpose of enabling research and development of new energy services.*
- 6. Additional Services: respondents should provide additional descriptions of services not provided for above.*

CPCNH Proposal Evaluation Process and Contracting Timeline

As detailed in [Attachment 8](#), CPCNH's Risk Management Committee is responsible for evaluating, ranking, and scoring proposals and recommending an award to the Board of Directors .

To ensure that the committee fully evaluates proposals to provide LSE and portfolio management services, CPCNH has contracted with independent experts with domain expertise in:

- Managing and overseeing power supply portfolios and LSE services for an operational CPA Joint Power Agency;
- Evaluating proposals, interviewing proposers, and recommending an award for LSE and portfolio management services on behalf of a CPA Joint Power Agency that subsequently launched CPA program service, has operated continuously since 2018, and recently gained an industry-first "A" credit rating from S&P Global Ratings on the basis of its fiscal discipline and approach to energy portfolio risk management; and/or
- Working for an established publicly owned nonprofit enterprise that maintains three operational control centers to support 24/7/365 operations across multiple ISO/RTO markets in order to provide LSE and portfolio management services to substantial numbers of public and private sector clients that serve retail end-use customers.

CPCNH has concluded the RFP process, entered into contract negotiations, and expects to execute contracts to provide comprehensive services and credit support (inclusive of LSE services) in October to November 2022.

Thereafter, CPCNH's Board of Directors expects to finalize and approve the agency's Cost Sharing Agreement and Energy Portfolio Risk Management, Rates, and Financial Reserves policies, which Nashua's appointed Directors expect to provide to the Board of Aldermen for approval in December 2022.

At this point, the City may contract for and authorize CPCNH to provide comprehensive services and credit support (inclusive of LSE services) to implement and operate Nashua Community Power.

Responsibilities of the City of Nashua

The City expects that CPCNH's solicitation and contracting strategy will be successful, and that CPCNH and the third-party contractors contracted by CPCNH would be able to implement LSE services and all other services required to launch and operate Nashua Community Power.

Depending on the result of CPCNH's solicitation and contract negotiation process, LSE services may be implemented as follows:

- CPCNH may contract directly for LSE services with a third-party that is registered or will register with ISO-NE as a market participant and Load Serving Entity (or will subcontract with an LSE on CPCNH's behalf), satisfies all applicable financial security and other registration requirements with ISO-NE, the Commission, and NH's distribution utilities, and has contractually agreed to assume responsibility for providing all requirements energy on behalf of Nashua Community Power's customers.

Typically, such a third-party would additionally provide portfolio management services and credit support and assist CPCNH in structuring and maintaining a portfolio of physical and financial contracts to provide all requirements energy to participating customers. At a certain future point, CPCNH may be positioned to register with NEPOOL and ISO-NE as a market participant and Load Serving Entity directly.⁴

This implementation option would essentially replicate the same approach and structure employed by the New Hampshire Electric Cooperative, which actively manages an all-requirements energy portfolio, accrues financial reserves, and provides LSE services for default service customers.

Additionally, note that the Town of Hanover (whose Member director and a lternate director are both participating on CPCNH's Risk Management Committee and proposal evaluation) is already a market participant and Load Serving Entity for the Town's load obligations.

- CPCNH may alternatively contract with one or more Competitive Electric Power Suppliers to provide LSE services and all requirements electricity to customers at a pre-specified rate for a set length of time. Under this arrangement, the Competitive Supplier would either be the designated Load Serving Entity or would contract with a third-party that has agreed to be the Load Serving Entity responsible for the CPA's customers.

This implementation option would essentially replicate the same approach and structure employed by NH's regulated distribution utilities (Eversource, Unitil and Liberty Utilities), under which customers are periodically re-assigned to whichever Competitive Suppliers have won the utilities' default service solicitations. Refer to [Attachment 4](#) for an overview of utility default procurement solicitations.

- CPCNH may also propose a combination of the above approaches for the City's consideration.

⁴ Refer to CPCNH's draft Business Plan for further details, available under RFP Reference Materials online at: <https://www.cpcnh.org/solicitations>

In the event that the City does not contract with CPCNH to provide LSE and other services to Nashua Community Power, then the City may contract to implement LSE services independently, either with a third-party LSE acting as the City's agent or with a Competitive Electric Power Supplier (CEPS) that contracts to provide LSE services for customers taking service from Nashua Community Power.

The City will ensure that contracts entered into provide for the implementation of LSE services and full requirement energy supply for customers participating in Nashua Community Power.

Attachment 8: Customer Data Protection Plan

Nashua Community Power will protect and maintain the confidentiality of Individual Customer Data in compliance with its obligations as a Service Provider under RSA Chapter 363 ([RSA 363:38](#) and [RSA 363:37](#) (*"privacy policies for individual customer data; duties and responsibilities of service providers and definitions"*) and other applicable statutes and Public Utilities Commission rules.

Individual Customer Data (ICD) includes information that is collected over the course of providing energy services to customers participating in Nashua Community Power and that, singly or in combination, can be used to identify specific customers, including: individual customer names, service addresses, billing addresses, telephone numbers, account numbers, electricity consumption data, and payment, financial, banking, and credit information.

As described herein, the City of Nashua is responsible for ensuring that reasonable security procedures and practices are implemented and maintained to protect the confidentiality of Individual Customer Data from unauthorized access, destruction, modification, disclosure, or use.

If the City contracts with a Competitive Supplier to provide all-requirements electricity and related services to participating customers, and with a broker / consultant to support operations in a capacity that would require access to Individual Customer Data, then the Competitive Suppliers and/or brokers would be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which are excerpted below in the section "Statutory and Rule Requirements" for reference.

Alternatively, Nashua may participate fully in the Coalition, and thereby rely on the all-requirements Joint Powers Agency to launch and operate Nashua Community Power, in which case the responsibilities of the Coalition and the City regarding Individual Customer Data are provided for herein.

Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

CPCNH is a Joint Powers Agency authorized under RSA 53-A (*"Agreements Between Governments: Joint Exercise of Powers"*) and RSA 53-E:3 (*"Municipality and County Authorities"*). CPCNH's [Joint Powers Agreement](#) expressly authorizes the agency to:⁵

- *"[C]omply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs";*
- *"Make and enter into contracts" and "[m]ake and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH's affairs"; and*
- *"[D]o all acts permitted... as well as any act necessary, consistent with New Hampshire law to fulfill the purposes" set forth under the agreement, which include assisting "member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing ... Community Power Aggregations".*

⁵ From Section 2.3, Powers, of the By-Laws of CPCNH, found at pages 21-22 of the JPA, available here: https://www.cpcnh.org/files/ugd/202f2e_601bfada901c4a89a1c2812a0638090a.pdf, and more specifically § 2.3.11, § 2.3.6, § 2.3.9, and § 2.3 introductory paragraph. Similar language is also in the Articles of Agreement.

CPCNH has begun the process of soliciting and hiring third-parties to provide comprehensive services and credit support to launch Member CPA programs, and is drafting various related enabling agreements, policies, and internal protocols necessary to do so.

CPCNH Request for Proposals for Comprehensive Services and Credit Support

CPCNH issued a Request for Proposals for Comprehensive Services and Credit Support on April 25, 2022, and recently concluded a solicitation process *“to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate of Community Power Aggregation (CPA) programs”*⁶ on behalf of CPCNH’s twenty Member communities, each of which are in various stages of authorizing Community Power Aggregations.

For additional information regarding the use of customer data, and expected operational needs of CPCNH, refer to (1) the RFP at pp. 20-23⁷ and to (2) the RFP Addendum #2 (issued May 24, 2022), at pp. 11 in response to Questions 15.⁸ The latter is excerpted below, and provides a concise summary of CPCNH’s requirements to ensure the confidentiality of ICD:

Regarding Customer Privacy Compliance:

[RSA 53-E:4](#), VI, requires CPAs to maintain the confidentiality of individual customer information in compliance with their obligations as service providers under [RSA 363:37](#) (Definitions) and [RSA 363:38](#) (“Privacy Policies for Individual Customer Data; Duties and Responsibilities of Service Providers”). [RSA 53-E:7](#), X also requires the Public Utilities Commission to adopt Administrative Rules for CPAs governing “access to customer data” and other matters.

The selected Proposer will be expected to demonstrate physical and cybersecurity readiness sufficient to ensure customer data is held in strict confidence — e.g., through audits in accordance with the American Institute of Certified Public Accountants Statements on Standards for Attestation Engagements No. 16 (SSAE 16) Service Organizational Controls (SOC) Reports, periodic network vulnerability assessments, etc. — and will be contractually required to maintain the confidentiality of individual customer data pursuant to [RSA 363:38](#), [V\(b\)](#) and applicable Public Utilities Commission rules.

As previously noted, Administrative Rules for CPAs are under development. Refer to the PUC’s [Initial Proposal for CPA Administrative Rules](#) (Chapter Puc 2200), specifically the definitions in Puc 2202.07 (“Confidential customer information”) and Puc 2202.02 (“Anonymized”), and Puc 2205.02 (“Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers”).

The selected Proposer, as applicable, should expect to comply with relevant portions of the PUC’s current Administrative Rules for Competitive Electric Power Suppliers and Aggregators (Chapter Puc 2000). Refer to [Chapter Puc 2000](#), Puc 2002.09 (definition of “Confidential Customer Information”) and Puc 2004.19 (“Protection of Confidential Customer Information”),

⁶ CPCNH’s Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: <https://www.cpcnh.org/solicitations>.

⁷ https://www.cpcnh.org/files/ugd/202f2e_e781638c123d4cf3977358f845081313.pdf

⁸ Pages 11-12 at https://www.cpcnh.org/files/ugd/202f2e_8ceed8824453482c902a8a0fa1ab826c.pdf.

which is proposed to apply to CEPS providing electricity supply service to CPA customers pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules.

The Request for Proposals and evaluation process is being overseen by CPCNH's Risk Management Committee, composed of CPCNH Member municipality representatives, with additional support from (1) independent experts with experience operating Community Power Aggregation Joint Powers Agencies, and (2) CPCNH's General Counsel, DWGP, P.C., a nationally recognized law firm with substantial expertise in the Community Power and broader public power industry.

CPCNH's Risk Management Committee evaluated, ranked, and selected vendors with a proven track record of successful qualification for EDI transactions, protection of confidential customer information, including what is characterized as ICD under RSA 363, and other relevant factors.

- Refer to CPCNH's RFP at p.2 for a summary of the substantial domain expertise participating on the Risk Management Committee and proposal evaluation process.
- For example, the committee includes a Member Director who previously worked for Eversource for 26 years, where he was responsible for deploying and/or operating Eversource's Customer Information System and day to day interface with competitive electric suppliers and was most recently the Director of Eversource's Customer Center Operations.

CPCNH expects to conclude the negotiation process and execute contracts in October to November 2022.

CPCNH Enterprise Risk Management & Customer Data Policies

After CPCNH has executed service contracts, CPCNH's Board of Directors will finalize and approve the agency's Cost Sharing Agreement and Energy Portfolio Risk Management, Rates, and Financial Reserves policies. These policies will be subsets of CPCNH's Enterprise Risk Management Policy, which will additionally cover relevant elements of cybersecurity and data confidentiality requirements and other topics.

- CPCNH's Joint Powers Agreement requires CPCNH's Risk Management Committee to draft and recommend the Enterprise Risk Management Policy for consideration and adoption of CPCNH's Board of Directors.⁹
- Nashua's appointed Directors are expected to provide CPCNH's Cost Sharing Agreement to the Board of Aldermen for approval in December 2022, accompanied by CPCNH's Energy Portfolio Risk Management, Rates, and Financial Reserves policies.
- At this point, the City will contract for and authorize CPCNH to provide specific services on behalf of Nashua Community Power.

CPCNH's Board of Directors has been recently presented with a plan to develop additional specific policies and CPCNH's Treasurer has prepared a budget to allocate sufficient funding to support the drafting and review process over the summer and fall. Two relevant such policies are listed below:

⁹ CPCNH's Risk Management Committee is also responsible for (1) reviewing major risk exposures and monitoring the steps taken to control risk exposures and (2) commissioning an independent agent to conduct and deliver an evaluation of the operational performance of the agency relative to the Enterprise Risk Management Policy every two years (starting three years after the commencement of CPA service, and as otherwise requested by the Board).

- Record Retention & Disposal Policy: to provide a process that ensures compliance with the proper retention, protection, and timely destruction of all records created or obtained by, or otherwise in the possession and control of, CPCNH, consistent with all legal requirements.
- Data Security and Privacy Policy: to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential information.

CPCNH Requirements to Access and Use of Individual Customer Data

In CPCNH's capacity as a service provider to the City, the agency and third parties contracted through CPCNH to provide services to Nashua Community Power will need to access and use ICD for operational needs and for the research, development, and implementation of new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs on behalf of Nashua Community Power.

Third parties under contract to CPCNH that may require access to ICD on behalf of Nashua Community Power may include CEPS (Competitive Electric Power Suppliers) functioning as Load Serving Entities (LSEs) for the supply of all requirements energy, or other third-party vendors providing Load Serving Entity (LSE) services on behalf of CPCNH, as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and academic institutions under contract to support the research and development of potential new energy services to offer to customers participating in Nashua Community Power.

Specific types of ICD that Nashua Community Power, CPCNH, and third parties under contract are expected to receive and possess include:

- Name, address, account number, and other information about electric customers within the City for purposes of sending required notification of Nashua Community Power Commencement of Service and enrollment of customer in Nashua Community Power, consistent with initially proposed Puc 2204.04, .05, and .06, as they, or equivalent rule provisions, may be adopted by the PUC and the requirements of [RSA 53-E:7](#), III, V, and VI.
- Individual customer information used for operation of Nashua Community Power, such as that in initially proposed Puc 2205.13, most of which may be accessed through the EDU EDI. The need and use for such information, and a proposed modification of this particular rule, are addressed in CPCNH's 3/14/22 Comments on the PUC's initial rule proposal for CPAs, in docket # [DE 21-142](#)¹⁰, and in its 3/28/22 Reply Comments.¹¹
- Other confidential customer information that may be received or collected directly by Nashua Community Power or CPCNH, or through sources other than the EDU due to customer participation in particular related programs or services, billing operations, other customer services, or that may be volunteered by customers, will likewise only be

¹⁰ See p. 2 ¶4 and p. 4 ¶6 at: https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-14_CPCNH_COMMENTS.PDF.

¹¹ See p.4-11, and Comments on proposed Puc 2203.02(b)(1) on p. 13, Puc 2204.02(a)(1)-(4) on pp. 16-17, and Puc 2205.13 p. 23 https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-28_CPCNH_OCA_CENH-COMMENTS.PDF.

used for statutorily authorized purposes as ICD.

Ongoing collection and use of individual customer data of the types described in proposed Puc 2205.13 will be used for both:

1. **General operational needs** for retail power supply and related energy services operational needs, such as load and supply forecasting, portfolio management, billing and audit processes, and for research and development of potential new energy services to offer to customer participants; and
2. **Programmatic and customer-specific services and offerings**, such as responding to customer account queries, opt-in rates or demand side management for customers with flexible demand, distributed generation or storage, and interval meters; and other energy services that may be offered including programs for LMI participants that are qualified in the Electric Assistance Program (EAP).

In compliance with [RSA 363:38](#) and [RSA 363.37](#), CPCNH and third parties contracted through CPCNH that require access to ICD to provide services to Nashua Community Power will be contractually required to:

- Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD.
- Protect ICD from unauthorized access, use, destruction, modification, or disclosure.
- Use ICD solely for primary purposes, such as: complying with the provisions of RSA 53-E:7, II; providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs; and for research and development of potential new energy services to offer to customer participants.
- Collect, store, use, and disclose only as much ICD as is necessary to accomplish the aforementioned primary purposes.
- Not use ICD for a secondary commercial purpose unrelated to the aforementioned primary purposes of the contract without the express consent of the customer.
- Return or permanently delete all ICD after contract termination and deliver a certificate, signed by an authorized representative, stating that all ICD has been returned or permanently deleted and that all materials based on ICD has been destroyed, as appropriate (i.e., except for copies necessary for tax, billing, or other financial purposes).

Additionally, if CPCNH contracts with one or more Competitive Suppliers to provide Load Serving Entity services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the Competitive Suppliers and/or brokers would additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which are excerpted below in the section “Statutory and Rule Requirements” for reference.

Responsibilities of the City of Nashua

The City currently anticipates that it will contract for all requirements electricity supply and related energy services through CPCNH, as a joint powers agency, and that the primary

acquisition and use of ICD will be through CPCNH and the vendors placed under contract to provide comprehensive services for the operation of Nashua Community Power.

The Mayor shall ensure review and confirmation that CPCNH has adequate policies, procedures and measures in place to protect confidential information and that contractual requirements consistent with the City's obligations to protect ICD as required under [RSA 363.37](#), [RSA 363:38](#) and [RSA 53-E:4](#), VI, and consistent with PUC rules, including Puc 2004.19 and its non-disclosure restrictions, are incorporated into any contracts with CPCNH, or any other third parties that are authorized to access ICD on behalf of the City before executing any such contracts.

The City expects contracts and policies to provide for:

- Third-party security assessment requirements regarding: Information Security Management; Personnel Security; Systems Development and Maintenance; Application Security; System Security; Network Security; Data Security and Integrity; Access Control; and Vulnerability Management.
- Third-party security requirements including: (1) User Account and Access Controls to ensure that only authorized individuals have access to ICD for legitimate primary purposes under RSA 368:38, which may include the need for non-disclosure agreements; (2) Handling of Sensitive Data Protocols to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure; (3) Breach Reporting, including obligations to report a security breach as defined in [RSA 359-C:19](#), V and required by [RSA 359-C:20](#) and any other applicable laws, rules, or utility requirements for data breach reporting; (4) Plan for deletion and destruction ICD when it is no longer necessary to accomplish primary purposes pursuant to RSA 368:38; and (5) Prohibitions on use of ICD for a secondary commercial purpose not related to the primary purpose of vendor's contract without the express consent of the customer.
- Third-party documentation and reporting requirements regarding, as applicable: Audit Reports (e.g. SSAE 16/SOC Report); Documentation describing Control practices used to review sub-vendors; Maintenance of an Information Security Program; Training Program for Employees on Cyber Awareness; Background checks performed for all employees with access to ICD; Immediate Data Breach reporting to appropriate parties; and any material changes in Data Security practices since prior review and approval.

Lastly, in the event that the City does not contract with CPCNH to provide energy services to Nashua Community Power, then the City will develop and adopt policies and contracts that ensure compliance with the City's obligations as a Service Provider to protect and maintain the confidentiality of ICD under [RSA 363:38](#), [RSA 363.37](#) and other applicable statutes and Public Utilities Commission rules prior to directly collecting, storing, using, or disclosing any ICD or contracting with other Competitive Suppliers, brokers and/or other third-party vendors that require access to ICD.

Additional References: Statutory and Regulatory Requirements

The sections below are provided for additional reference, and summarize the different requirements that apply to (1) Community Power Aggregators and Service Providers, (2) brokers and Competitive Electric Power Suppliers (CEPS) that provide Load Serving Entity services under

contract to Community Power Aggregators, and (3) access to ICT through the Multi-Use Energy Data Platform authorized under RSA 378:50-54 (if and when it becomes operational).

Statutory Requirements for Community Power Aggregators & Service Providers

Statutory requirements regarding the use of Individual Customer Data for Community Power Aggregators are summarized below:

- [RSA 363:37](#), I defines Individual Customer Data (ICD) as *“information that is collected as part of providing electric, natural gas, water, or related services to a customer that can identify, singly or in combination, that specific customer, including the name, address, account number, quantity, characteristics, or time of consumption by the customer.”*
- [RSA 363:38](#), IV requires Service Providers to *“use reasonable security procedures and practices to protect individual customer data [ICD] from unauthorized access, use, destruction, modification, or disclosure.”*
- [RSA 53-E:4](#), VI provides that Community Power Aggregations (CPAs) *“shall be subject to RSA 363:38 as service providers and individual customer data shall be treated as confidential private information and shall not be subject to public disclosure under RSA 91-A”*.
 - The definition of Service Provider under [RSA 363:37](#), II includes *“an aggregator, as defined by RSA 53-E:2, II...and any other service provider that receives individual customer data [ICD]...”*
 - [RSA 53-E:2](#), II defines an “aggregator” in this context as *“any municipality or county that engages in aggregation of electric customers within its boundaries”*.
 - RSA 53-E:2, VI further defines “municipality” in this context as *“any City, town, unincorporated place, or village district within the state.”*
- [RSA 363:38](#), II requires Service Providers to: *“(a) Collect, store, use, and disclose only as much individual customer data [ICD] as is necessary to accomplish primary purposes, and (b) Use individual customer data solely for primary purposes.”*
- [RSA 363:37](#), III defines “[p]rimary purpose” as *“the main reason for the collection, storage, use, or disclosure of individual customer data [ICD] which is limited to: (a) Providing or billing for electrical or gas service. (b) Meeting system, grid, or operational needs. (c) Researching, developing, and implementing new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs.”*
- [RSA 53-E:4](#), VI further authorizes approved Community Power Aggregations to *“use individual customer data to comply with the provisions of RSA 53-E:7, II and for research and development of potential new energy services to offer to customer participants.”*
- [RSA 363:38](#), V(b) further makes clear that a Service Provider may disclose ICD *“to a third party for system, grid, or operational needs, or the research, development, and implementation of new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs”* — provided that the Service Provider *“has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, use,*

destruction, modification, or disclosure, and to prohibit the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer.”

- [RSA 363:38](#), V(c) provides that “[n]othing in this section shall preclude a service provider from disclosing electric, natural gas, or water consumption data required under state or federal law, or which is identified as information subject to warrant or subpoena or by an order of the commission.”
- [RSA 363:38](#), V(a) makes clear that ICD may be aggregated and used for “analysis, reporting, or program management after information that identifies an individual customer has been removed.”

Additional Requirements Specific to Brokers & Competitive Suppliers

Pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules, brokers and Competitive Suppliers that are hired by municipalities to manage and operate Community Power Aggregations and provide Load Serving Entity services to participating customers must comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which is excerpted below for reference along with Puc 2002.09 (*Confidential Customer Information*).

Note that the use of the term “aggregator” throughout Puc 2004.19 below refers to brokers and does not refer to or otherwise apply to Community Power Aggregators.

As context, these requirements are part of the Commission’s [Chapter Puc 2000 rules](#) (*Competitive Electric Power Supplier and Aggregator Rules*), which apply to Competitive Suppliers and brokers — referred to as “CEPS” and “aggregators” below, respectively — and are expressly not applicable to “municipalities or counties providing electricity or aggregating within the boundaries of participating municipalities under RSA 53-E” (Community Power Aggregators) per Puc 2001.02 (*application of rules*).

Puc 2002.09 “Confidential customer information” means information that is collected as part of providing electric services to a customer that can identify, singly or in combination, that specific customer, and includes the customer name, address, and account number and the quantity, characteristics, or time of consumption by the customer, and also includes specific customer payment, financial, banking, and credit information.

...

Puc 2004.19 Protection of Confidential Customer Information.

(a) No CEPS or aggregator shall, except as permitted under (c) below or as otherwise required by law, release confidential customer information without express written authorization from the customer.

(b) A CEPS or aggregator shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the service provided to the customer, without the express written consent of the customer.

(c) A CEPS or aggregator may disclose to a third party subject to non-disclosure restrictions confidential customer information as necessary for any one or more of the following purposes:

- (1) Billing for electric service;*
- (2) Meeting electric system, electric grid, or other operational needs;*
- (3) Implementing any one or more of the following programs:*
 - a. Demand response;*
 - b. Customer assistance;*
 - c. Energy management; and*
 - d. Energy efficiency.*

(d) For purposes of this section, the term “non-disclosure restrictions” means that the CEPS or aggregator has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the confidential customer information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer.

(e) A customer granting authorization to release confidential customer information for purposes described in the terms and conditions of service shall satisfy the requirement in (a) above.

(f) A CEPS or aggregator granted agency authority shall be deemed authorized to obtain customer usage information when it has received customer authorization as described in Puc 2004.08 or Puc 2004.09.

(g) In the event of a dispute about the release of confidential customer information, including whether the information is or should be confidential, a CEPS, aggregator, or customer may file a complaint with the commission for resolution.

Additional Requirements for the Multi-Use Energy Data Platform

If and when the Multi-Use Energy Data Platform (Platform) authorized under RSA 378:50-54 becomes operational, Nashua Community Power and any third-parties under contract that require access to ICD sourced from the Platform — such as CPCNH and third-parties contracted through CPCNH — will be required to comply with any Platform User Requirements, Privacy Standards, Annual Attestations, and obligations to report a security breach pursuant to terms of Settlement Agreement conditionally approved by the PUC in [DE 19-197](#) and detailed in Exhibit C of the Agreement found in [Exhibit 1B](#) and as may be actually implemented.